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NAVAL POSTGRADUATE SCHOOL

Monterey, California



THESIS

THE KARABAGH CONFLICT AND ITS EFFECTS ON TURKEY'S ROLE IN THE CAUCASUS

by

Bulent Akdeniz

December 2001

Thesis Advisor:
Second Reader:

Mikhail Tsypkin
Glenn E. Robinson

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REPORT DOCUMENTATION PAGE			<i>Form Approved OMB No. 0704-0188</i>	
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1. AGENCY USE ONLY (Leave blank)		2. REPORT DATE December 2001	3. REPORT TYPE AND DATES COVERED Master's Thesis	
4. TITLE AND SUBTITLE: The Karabagh Conflict And Its Effects On Turkey's Role In The Caucasus			5. FUNDING NUMBERS	
6. AUTHOR(S) Bulent Akdeniz				
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) Naval Postgraduate School Monterey, CA 93943-5000			8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING /MONITORING AGENCY NAME(S) AND ADDRESS(ES) N/A			10. SPONSORING/MONITORING AGENCY REPORT NUMBER	
11. SUPPLEMENTARY NOTES The views expressed in this thesis are those of the author and do not reflect the official policy or position of the Department of Defense or the U.S. Government.				
12a. DISTRIBUTION / AVAILABILITY STATEMENT Approved for public release; distribution is unlimited			12b. DISTRIBUTION CODE	
13. ABSTRACT (maximum 200 words) This thesis examines the Karabagh conflict between Azerbaijan and Armenia and its implications on the Caucasus regional security in general and Turkey's role in particular. It investigates the causes of the conflict from a theoretical, historical and practical view and evaluates the role of the various international actors in the conflict. This thesis also traces the role of oil and oil politics in resolving the conflict and contrarily examines how the conflict affects the development of the oil in the Caucasus region. This study concludes that the Karabagh conflict and the ensuing events eroded the Turkish role in the Caucasus and created a situation prone to instability and renewed violence. This study provides specific recommendations for Turkish foreign policy makers to enhance the stability in the region without sacrificing Turkish interests. Recommendations include increased relations and engagement with Iran and Russia and the further containment of Armenia until a dramatic change in its attitude is observed.				
14. SUBJECT TERMS Karabagh, Azerbaijan, Armenia, Caspian Oil, Turkish Foreign Policy, and Caucasus			15. NUMBER OF PAGES 133	
			16. PRICE CODE	
17. SECURITY CLASSIFICATION OF REPORT Unclassified	18. SECURITY CLASSIFICATION OF THIS PAGE Unclassified	19. SECURITY CLASSIFICATION OF ABSTRACT Unclassified	20. LIMITATION OF ABSTRACT UL	

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**THE KARABAGH CONFLICT AND ITS EFFECTS ON TURKEY'S ROLE IN
THE CAUCASUS**

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First Lieutenant, Turkish Army
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Submitted in partial fulfillment of the
requirements for the degree of

MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS

from the

**NAVAL POSTGRADUATE SCHOOL
December 2001**

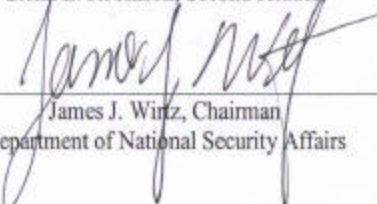
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This thesis examines the Karabagh conflict between Azerbaijan and Armenia and its implications on the Caucasus regional security in general and Turkey's role in particular. It investigates the causes of the conflict from a theoretical, historical and practical view and evaluates the role of the various international actors in the conflict. This thesis also traces the role of oil and oil politics in resolving the conflict and contrarily examines how the conflict affects the development of the oil in the Caucasus region. This study concludes that the Karabagh conflict and the ensuing events eroded the Turkish role in the Caucasus and created a situation prone to instability and renewed violence. This study provides specific recommendations for Turkish foreign policy makers to enhance the stability in the region without sacrificing Turkish interests. Recommendations include increased relations and engagement with Iran and Russia and the further containment of Armenia until a dramatic change in its attitude is observed.

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ACKNOWLEDGEMENTS

While writing this thesis, I received invaluable encouragement from my advisor, Professor Mikhail Tsypkin. I would like to thank my advisor, Professor Mikhail Tsypkin and my second reader, Professor Glenn E. Robinson for their guidance during my thesis.

I would like to dedicate this thesis to my family, particularly my parents Ismet and Mihriban, who made countless sacrifices and who taught me the importance of hard work and patience.

In addition, I thank the Turkish Armed Forces for giving me this opportunity to pursue a Master's degree at the Naval Postgraduate School so that I can improve myself in order to serve my country better.

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EXECUTIVE SUMMARY

The Karabagh conflict appeared in the media in the early 1990s, but it was eclipsed by the unexpected events leading to the collapse of the Soviet Union. The conflict also did not receive enough attention because the international community was embroiled in the catastrophic events in another artificial constellation, the former Yugoslavia. However, despite the attention the Karabagh conflict deserved, it had important effects on the collapse of the Soviet Empire, on the policies of the regional powers, and on the region's stability.

The Karabagh conflict was the last link in the events between Armenians and Azeris initiated with the Tsarist Russian conquest of the region. A variety of reasons caused the conflict, but manipulation, foreign meddling, and ensuing extremism further exacerbated the conflict.

Since the first armed conflict in 1905, Azeris and Armenians started to clash with each other wherever and whenever an opportunity arose, especially when the central authority that contained the hostilities weakened. Such an opportunity was Gorbachev's Glasnost (openness) campaigns, which afforded the radicals the necessary opportunity to mobilize respective ethnic communities in the "hostile mirror image" of each other. As soon as the Soviet Union collapsed, an undeclared war erupted over the control of an enclave belonging to Azerbaijan but populated mainly by ethnic Armenians. The struggle between these two newly independent states, Azerbaijan and Armenia, ended with the ultimate humiliation and defeat of the more populous and seemingly stronger state, Azerbaijan. The cease-fire concluded in 1994 confirmed the Armenian victory over Azerbaijan, resulting in one million Azeri refugees and 20 percent of the Azeri territory occupied by ethnic Armenian forces. Parties to the conflict are still negotiating under the aegis of the Organization for Security and Cooperation in Europe (OSCE), although a solution seems elusive.

Armenia enjoys good relations with three of the four important powers relevant to the conflict, Russia, Iran and the United States, and it has the support of its well-organized Diaspora communities in important Western countries. Through this influence,

Armenia managed to defeat its adversary and to capture Azerbaijani territory without being labeled the aggressor. Armenia also avoided any sanctions that would normally be imposed on aggressors.

Azerbaijan, on the other hand, found little support from the International community except its ethnic cousin, Turkey. Azerbaijan is currently trying to use its oil reserves to compensate for its deficiency in friends. Yet, oil in the region complicates the situation. Given the high stakes in oil, the regional states pursue their interests more aggressively, anticipating a share of the prospective oil wealth. As nations fiercely compete over the routes for the oil pipelines that are needed to transfer the oil from the land-locked Caspian basin, the region's stability is in peril. Paradoxically, the success of the Baku-Ceyhan pipeline depends heavily on stability. The strategic considerations of an oil-rich Azerbaijan, namely, using the oil money to build up its military to regain its lost territories, and the probable Armenian reaction to this military buildup seriously imperil the security and stability in the South Caucasus.

The Karabagh War and the ensuing policies of the relevant players in the conflict influenced the regional security. Turkish policies in the conflict also eroded Turkish credibility in the region. The Turkish leadership realized that their ability to form policies independent of other regional powers was not plausible in light of its limited resources and capabilities. As a result, assessing its capabilities realistically, Turkey moderated its formerly ambitious rhetoric and policies in the region.

I. INTRODUCTION

The Karabagh Conflict was the first and the longest armed ethnic clash to arise during the collapse of the Soviet Union. It raised great concerns about the resurgence of ethno-nationalism and interethnic violence, which had previously been somewhat contained and suppressed under the cloak of communism. The ensuing conflict resulted in a war between the Republic of Azerbaijan, Armenia and the self-declared Nagorno Karabagh Republic over the control of the Nagorno Karabagh Autonomous Region.¹ This area had been the source of conflict between Armenians and Azerbaijanis for almost a century. Although that region was within Azerbaijan, Armenians constituted a majority in the area.

The recent conflict can be regarded as the last of the events between the Armenians and Azerbaijanis, which was initiated with Russia's conquest of the Caucasus. After the Russian conquest, inter-ethnic violence, forced expulsions and widespread atrocities had ravaged Karabagh and the Caucasus in general. Clearly, Soviet rule brought several decades of peace and security to the area. However, the resurgence of the Karabagh conflict again, despite the communist indoctrination and state repression for decades, showed that ethnic sentiments and extremism were resistant to any ideology or time.

The conflict constituted the first stress test for the Turkish bid to gain a dominant role in the region. With the Soviet Union's collapse, Turkey faced some challenges and saw an opportunity to increase its influence in Central Asia and the Caucasus region. The Cold War was over and Turkey's aid to contain the Soviet Union was no longer needed. Turkey's diminished strategic importance in the eyes of its Cold War allies partly motivated it to increase relations with other Turkic states, for Turkey

¹ Although the Republic of Armenia refused that it was a party to the war, its role in the conflict is well documented by's *Helsinki Human Rights Watch* publication: "Azerbaijan: Seven Years of Conflict in Nagorno-Karabagh" pp 67-73. It says, " As a matter of law, Armenian troop involvement in Azerbaijan makes Armenia a party to the conflict and makes the war an international armed conflict, as between the government of Armenia and Azerbaijan." Charter of Paris for a New Europe in 1990 also confirms that Armenia is involved as it says, " Armenia violates the territorial integrity of Azerbaijan by sending armed forces into Karabagh. Such use of forces is illegal unless authorized by U.N Security Council" Cornell, Svante, "Undeclared War: The Nagorno-Karabagh Conflict Reconsidered" in *The Journal of South Asian and Middle Eastern Studies*, Vol. XX, No. 4, summer 1997.

shared ethnic and cultural ties with five of the newly independent former Soviet States. As a result of this perceived affinity, Turkey tried to gain a more dominant role in the region. Other than Turkey's decreased strategic importance in the Western camp, various factors increased Turkish interest in its newly found cousins. The resurgence of Turkish nationalism, which had developed as a reaction to the separatist Kurdish Terrorism in Southeastern Turkey since the late 1980s, was one of these factors. Turkey's isolation and perceived harassments at the hands of its former European allies regarding its human rights record was another factor. Its sense of exclusion from the rest of the Muslim world was also among the concerns. As a result, Turkey sought to increase relations with these culturally and ethnically similar states to overcome its isolation and sense of insecurity. Great expectations were articulated by some prominent political figures, foreseeing a loose constellation of friendly states, a "Turkish world," extending from the Adriatic to the Great Wall of China. Hopes that the 21st century would be a Turkish century were also prevalent.

After the Soviet Union collapsed, Turkey elicited Western and U.S support to promote its model of development to these Turkic states of Central Asia and the Caucasus. Containing the Iranian influence was one of the West's motives behind this support. The Islamic version of development promoted by Iran was not favored by the United States or other Western states. However, the breakout of the Karabagh conflict put Turkey in a precarious position. Turkey did not want to sacrifice its relations with Armenia in light of strong Pro-Armenian public opinion in Western countries, which had supported the Turkish model. Nevertheless, Turkey also risked losing its prestige and dreams of an undeclared leadership in the Turkic world if it failed to help its ethnic kin in Azerbaijan. Public opinion in Turkey also concerned the Turkish government of the time. Public outrage was swelling, as the news of massacres in Karabagh and refugee flows began to fill the television screens. Opposition parties were pressuring the Turkish government to side openly with Azerbaijan or even to intervene on its behalf. After an initial hesitation, Turkey started supporting Azerbaijan, although refraining from a solid commitment. The Turkish government support was mostly limited to political and diplomatic issues.

Another concern was the return of Russian influence in its former colonies. As Turkey was trying to fill the vacuum supposedly left by Russia after the Soviet collapse, the Russian Federation was reorienting its foreign policy to regain influence in the old Soviet territory, or “Near Abroad.” As the conflict escalated, its course and outcome changed the region’s security and political environment largely, leading to a constellation of powers on old ethnic and religious lines. Armenia, for example, concluded a security agreement with Russia, its traditional protector. Contrarily, Azerbaijan was leaning toward Turkey with which it was in conformity over the Karabagh issue. Due to the hard lines formed on old ethnic and cultural affinities, any confrontation ran the risk of spinning out of control, with the danger of involving a nuclear Russia and a NATO-member Turkey.

Turkey’s ongoing struggle to gain influence in the region was even more complicated since the Caucasus region, especially Azerbaijan, was estimated to contain large deposits of oil and gas reserves. An agreement was signed between the Azerbaijan government and foreign oil companies to develop three Azeri oil fields in 1994. Since the region was land-locked, pipeline routes to transfer the future oil to world markets gained importance. These pipeline routes became fiercely competitive due to the potential advantages for each host country. Currently, Turkey seems to have the upper hand but the proposed Turkish Baku-Ceyhan pipeline route passes very closely to the Karabagh frontline, with its security implications. Despite the cease-fire concluded in 1994 between the belligerents, skirmishes on the borderline flare up occasionally, with the danger of an all-out confrontation. As a result, analyzing the nature and the future implications of this conflict to better evaluate the probable effects on the regional and global stability is essential. The main arguments and issues addressed in this thesis are

- With the collapse of the Soviet Union, old ethnic and religious bonds gained importance. A new constellation of states, which was reminiscent of the pre-WWI period, emerged. Turkey found itself in an evolving balance-of-power situation with Azerbaijan against Russia and Armenia, with Iran favoring Russia. In this new constellation, nuclear Russia and NATO-member Turkey faced each other, with security implications for the regional and global stability.

- The Karabagh Conflict and the resulting events coincided with the increased Russian interest in the region, and the conflict created a convenient hot spot that would guarantee Russian participation. This conflict also enabled Russia to return to Turkey's borders as a result of its alignment with Armenians. In light of the Russian bases on the Turkish border, Turkey's security concerns about Russia remained the same or even worsened after the Cold War.
- To Turkey's dismay, the Armenian attitude toward Turkey hardened the fanatic groups increased their affect in Armenia, culminating with the forced resignation of the relatively moderate Armenian President Levon Ter Petrossian. Turkey's handling of the crises alienated Armenia and led to today's hostile relations in which hardliner nationalists assumed control of the Armenian administration. This change in administration resulted in anti-Turkish agitation and propaganda in the U.S and in Western Europe. It also caused irredentist Armenian territorial claims on Turkey, thus increasing the likelihood of prolonged strained relations. In short, Turkey could not achieve its initial objective of reconciling past resentments and benefiting from the possible trade with Armenia.
- Lacking the necessary means or the will to back up its rhetoric, Turkey lost its credibility. The hopes for an active Turkish role of leadership with other Turkic states shattered and shifted into a more realistic form.
- The Karabagh Conflict could destabilize the region and affect the safe exploitation of the region's hydrocarbon reserves. The conflict became more complicated when the regional powers sought to benefit from this exploitation.

The second chapter explains the roots of the conflict by focusing on conflict theories. The third chapter traces the historical background of the conflict, focusing on the interactions of the belligerents in the region before and after the Soviet period. This entails a period from the escalation of the conflict until the 1994 cease-fire and the mediation process conducted under the OSCE aegis. The fourth chapter deals primarily with Armenia's policies and relations with other important regional powers. The fifth chapter reviews the same issues regarding Azerbaijan. The sixth chapter exclusively examines the Caspian oil and the Baku-Ceyhan Pipeline project and related issues. The probable effects on the resolution of the Karabagh conflict and on regional stability are

also discussed. In Chapter VIII, the effects of the conflict on Turkey's role in the region are reviewed in the light of all those issues addressed in previous chapters. Finally, an analysis on the future of the conflict and recommendations are presented.

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II. THEORY AND THE ROOTS OF THE CONFLICT

Commonly, ancient hatreds are believed to be the main cause of the Karabagh conflict. Supposedly, after decades of simmering, these hatreds surfaced as soon as the power, the Soviet Union, that had suppressed it disappeared. This chapter contends that a complex web of reasons, not only the ancient hatreds, caused the problems between Azerbaijan and Armenia. As mentioned before, the seeds of the conflict were sown in the beginning of the 19th century when Russia entered the region.

As the nation-state concept emerged in the 18th century, ethnic conflicts and ethnicity in general gained importance in international relations. As three European empires collapsed at the end of the First World War, after the de-colonization process in the 1960s, and following the demise of the Soviet Union, ethnic conflicts accelerated and new nations emerged. In this process, international conflicts, while retaining their significance, were coupled with interstate conflicts. In interstate conflicts, different groups, defined in terms of ethnic, religious, or linguistic identities, mobilized and clashed for autonomy within or for secession from sovereign states.

Despite the long history of ethnic conflict, few theories on these conflicts are agreed upon. Existing theories attempt to explicate the roots and causes of ethnic conflicts. Another goal of these theories is to create models to provide the negotiators with guidelines in their efforts to bring about a sustainable solution to ethnic problems. This chapter focuses on conflict theories that deal with the roots and causes of the ethnic conflicts.

To start, we should first define the terms “ethnic groups” and “ethnic conflict.” As Rothchild and Lake explains, there are three different approaches to the study of ethnicity. Let us examine each in turn:

The Primordialist Approach: This approach takes ethnicity as a fixed characteristic of individuals and communities. This characteristic could be rooted in inherited biological traits or centuries of past practice that are now beyond the ability of the individuals or groups to change.² According to this view, the mere existence of a

² Lake, David A. and Rothchild, Donald, “Spreading Fear: The Genesis of Transnational Ethnic Conflict” in *The International Spread of Ethnic Conflict: Fear, Diffusion, and Escalation*, Princeton University Press, 1998, p. 5

different ethnicity is sufficient for an ethnic tension. Any other explanation is not necessary in the presence of ethnicity, as ethnicity, in itself, is significant.

The Instrumentalist Approach: This is Rothchild and Lake's second approach to ethnicity. This approach considers ethnicity as a tool used and manipulated by the elites to obtain material and political benefits. In this approach, ethnicity does not have an independent standing outside the political process in which the elites try to manipulate the masses.

The Constructivist Approach: This is the third approach Rothchild and Lake put forth regarding the ethnicity. This approach maintains that ethnicity in itself is a social phenomenon rather than an individual or group attribute as supported by the "primordialists."³ Ethnicity is, accordingly, constructed from dense webs of social interaction.

Charles Tilly, on the other hand, classifies the theories of ethnicity into three different groups. Combining the primordialist and instrumentalist approaches, he defines an ethnic group as a set of people who publicly claim a common origin that distinguishes them from other members of the same population. Accordingly, ethnic groups organize where and when members of at least two well-connected communities, defined by claimed origin and kinship, begin competing for the same social benefits.⁴ Tilly's first groups of theories on ethnicity, "theories of cultural construction," define the process in which people create imagined communities. Ethnicity is created with a combination of arbitrariness and ensuing myths. "Structural theories," Tilly's second group, identify the circumstances in which potential ethnic groups become energetic political actors. These groups first specify how political and economic changes affect the interests and organization of people who share identity and social characteristics. This is similar to the instrumentalist approach of Lake and Rothchild. Tilly's third group of theories on ethnicity is the "social-psychological theories," which is defined as follows:

Social-psychological theories . . . stress the homologies between ethnicity and other markers of difference, emphasize the undesirable features of we-

³ Lake, David A. and Rothchild, Donald, "Spreading Fear: The Genesis of Transnational Ethnic Conflict" in *The International Spread of Ethnic Conflict: Fear, Diffusion, and Escalation*, Princeton University Press, 1998, p. 6

⁴ Tilly, Charles, "Ethnic Conflict in the Soviet Union," *Theory and Society*, Vol. 20, No. 5, October 1991, p. 574

they distinctions, and ground such differences in various defenses of the self.⁵

As to the definition of “a conflict,” Donald Horowitz defines it as a struggle in which the aim is to gain objectives and simultaneously to neutralize, injure, or eliminate rivals.⁶ We can classify conflicts into three groups.

International Conflicts: These conflicts involve sovereign states as the main actors. If the actions of two sovereign states are crucial for the continuation of the conflict, then that conflict has an international character.⁷

Conflicts Involving a Struggle for Governmental Power: These conflicts are the second classification and contrary to “international conflicts” do not entail a territorial demand on the part of the challengers to the state. The main aim is to gain control of the state structure and territory as a whole, not only a certain part of it.

The State-Formation Conflicts: This third kind of conflicts concern a state and a geographically concentrated minority, sometimes with the interference of another sovereign state. This third group includes the “ethno-political” conflict, which we will focus on in this chapter.

Conflicts in general can have ideological, religious, economic, territorial, ethnic, communal, national and other such characteristics. In most cases, conflicts comprise more than one of these characteristics with varying proportions. Likewise, while an ethnic conflict has an ethnic confrontation at its core, it can further be complicated by religion, economy, language, ideology, and likewise. As a result, we will use the term, “ethno-political conflict,” instead of “ethnic conflict” from now on. An ethno-political conflict is

A political, social, or military confrontation in which the parties identify themselves and each other in terms of nationality, religion, race, culture, language, or by a combination of some or all of these criteria.⁸

Ethnicity, by itself, is not a cause of a violent ethno-political conflict. A potential

⁵ Ibid, p. 572

⁶ Horowitz, Donald, *Ethnic Groups in Conflict*, University of California Press, p. 95

⁷ Cornell, Svante E. “Conflict Theory and the Nagorno Karabagh Conflict: Guidelines for a Political Solution?” Triton Publishers, Stockholm Sweden, printed in Turkey, 1997

⁸ Ibid, p. 17

of an ethno-political conflict appears when ethnicity is politicized and as a result, ethnic groups mobilize. The reasons for ethnic mobilization, in which ethnic groups assume the goal of neutralizing or eliminating their rivals, will now be discussed extensively in this chapter. We will mainly focus on the theories put forth by Donald Horowitz, Michael Brown and Svante Cornell to explain the reasons of ethnic mobilization and the ensuing ethno-political conflict. However, to complement these two scholars, we will also refer to Charles Tilly, Eric Malender and Stuart Kaufman.

Donald Horowitz, our first scholar, explains ethnic mobilization in terms of the clash between modernity and traditionalism. In his opinion, there are three different approaches to modernity and its relation with traditionalism in explaining the causes of ethnic mobilization and ensuing ethno-political conflict. These approaches are the “absolute levels of modernization,” the “absolute rates of modernization” and “group disparities.”

Absolute Levels of Modernization: This approach focuses on the overall effects of modernization on the entire population. Exposure to the mass media, changes in literacy patterns, urbanization, shifts from agriculture to industry and involvement in mass politics can breakdown the commitment to the traditions. This process of modernization makes the members of the society, their goals and needs more alike. Similarities in demand and the insufficiency of the resources, in turn, create a competition among the members of the society, as similar demands inevitably lead to a clash.⁹ Elites seek safety from this competition by mobilizing their distinctive ethnic groups. This mobilization is intended to alleviate the uncertain conditions of the raging competition for the resources. Mobilization and the subsequent conflict become even more acute if the assimilation rate of the mobilized group is not very high in the host society.¹⁰ The greater the gap between the rates of social mobilization and the assimilation becomes, the more probable the ethnic conflict becomes.

Absolute Rates of Modernization: In this approach, Horowitz questions the credibility of the “absolute levels” approach. He contends that empirical studies show

⁹ Horowitz, Donald L. *Ethnic Groups in Conflict*, University of California Press, 2000, p. 99

¹⁰ For a comprehensive study of the nationalities in the Soviet Union and their assimilation patterns, see David D. Laitin, *Identity in Formation: The Russian Speaking Populations in the Near Abroad*, Cornell University Press, 1998, pp. 36-82

most ethnic conflicts erupt in less developed parts of the world. This is in direct contradiction to the previous “absolute levels of modernization” approach, which relates the conflict to the overall modernization of the society. He explains this paradox with the “advantage of backwardness” concept in economy, namely the rates of change are higher when the starting levels are lower. Accordingly, rates of modernization and the resulting ethnic mobilization may be higher in less modernized places. He also argues that the elites in less modernized places are disproportionately important. Their ambitions ignite the ethnic conflicts. To ensure the following of the masses, they may transfer the mass antagonism onto other ethnic groups by exploiting mass sentiments, apprehensions, and aspirations.

Group Disparities: This is Horowitz’s third approach regarding ethnic mobilization. According to this approach, ethnic mobilization and conflict may result from a modernization gap between ethnic groups or a function of the rate at which such a gap is growing.¹¹ Uneven distribution of economic and educational opportunities is an important factor for group tensions:

Resulting social classes tend to overlap and reinforce ethnic group boundaries, making the confrontation intense. As a result, ethnic groups that are wealthier, better educated, and more urbanized tend to be envied, resented, and sometimes feared by others in a new system of stratification.¹²

Horowitz’s third approach can be applied to the Karabagh conflict in which a poorly disguised economic gap was the starting point for the hostilities. Although Azerbaijan was producing almost half of the world’s oil production in the Tsarist Russia in the late 19th century, this production brought little benefit to the Azeri population. They were generally rural and poor, while their Armenian neighbors were making fortunes from developing Azeri oil fields.¹³ Largely due to the Russian favoritism over the local Muslims, the Armenians were occupying high and effective posts, were living in

¹¹ Horowitz, Donald L. *Ethnic Groups in Conflict*, University of California Press, 2000, p. 103

¹² Ibid, p. 102

¹³ By 1900, Armenians owned 29 percent of the industries in Baku and the Muslims, including Lezgins and Tatars as well as Azerbaijanis, owned only 18 percent of the oil industry. This is quoted from *Pride of Small Nations: The Caucasus and Post-Soviet Disorder* by Suzanne Goldenberg (Zed Books, 1994) p. 28 and in Swietochowski, Tadeusz (1985), *Russian Azerbaijan 1905-1920: The Shaping of a National Identity in a Muslim Community*, Cambridge University Press, p. 39

urban areas, and prospering from the Azeri oil, according to the Azerbaijanis. All these factors, together with the perceived Armenian arrogance toward Muslims caused resentments among the Azerbaijanis against the Armenians.

Charles Tilly explains the reasons of ethnic mobilization in terms of discrimination and group identity. He contends that entire ethnic groups almost never mobilize or act collectively. These groups instead serve as bases for mobilization and collective action when the actions of the outsiders either threaten to exclude ethnic groups from shared and collectively controlled opportunities or open up new stakes to collective competition.¹⁴ Ethnic “entrepreneurs” (who are often professional brokers, such as intellectuals and politicians) play exceptional parts in such situations.

Eric Malender, on the other hand, looks into the reasons for ethnic mobilization in terms of “willingness” and “opportunity.”¹⁵ Deep cultural differences in language and religion, a history of intense conflict with accompanying myths, and an exclusive ethnic conception of the nation combine to give rise to a strong “willingness.” As a result, parties to the conflict mobilize and, if not checked, resort to violence. Factors enhancing the “opportunity” in our case could include mountainous terrain suitable for guerilla warfare, access to arms, and the presence of ethnic kin in a neighboring state, the autonomy and autonomous institutions to develop necessary group cohesion, external support and radical leadership.

Another scholar who supports the willingness-opportunity approach, Stuart Kaufman, contends that ethnic prejudices and fears among the masses give rise to a “willingness” to provide for their own security by violent means. Relaxing the state repression affords the minority the “opportunity” to mobilize and to take military action eventually.¹⁶ Ethnic mobilization results in a security dilemma in which each side tries to enhance its own security by threatening the others. Brown argues that changing military and demographic balances after the collapse of a state structure create acute uncertainty

¹⁴ Tilly, Charles, “Ethnic Conflict in Soviet Union,” *Theory and Society*, Vol. 20, No. 5, October 1991, p. 574

¹⁵ Malender, Eric, “The Nagorno Karabagh Conflict Revisited: Was the War Inevitable?” *Journal of Cold War Studies*, Vol. 3, No. 2, 2001, p. 52

¹⁶ Kaufman, Stuart J. “Ethnic Fears and Ethnic War in Karabagh,” paper presented at the Annual Meeting of the International Studies Association, Minneapolis, MN, March 1998

and fear for physical safety.¹⁷ In light of these military and demographic imbalances, the desire to survive and a general fear of what the future might bring eventually creates this security dilemma.¹⁸ The probable outcome of such a dilemma is a preemptive ethnic warfare

Seeking to explain the reasons for ethnic mobilization, Michael E. Brown makes a distinction between “underlying factors” (background or permissive factors) and “catalyzing (triggering) factors” in bringing about a mobilization. According to him, a factor that is necessary for the ethno-political conflict may not be sufficient to trigger it. The presence of underlying factors makes some places and some situations more prone to violence than others and conflicts seldom erupt without their existence.¹⁹ These factors are time-resistant and necessary for the conflict to occur. Nevertheless, they do not explain why conflicts erupt at a specific point in time and they do not trigger these conflicts by themselves.²⁰ Brown foresees four groups of underlying factors for the ethnic mobilization and ensuing ethno-political conflict.²¹

Structural Factors: This is Brown’s first group of underlying factors for ethnic mobilization. This group of factors comprises “weak state structures, intra-state security concerns, and “ethnic geography.” “Weak state structures,” which lack political legitimacy and politically sensible borders and political institutions to control the territory they supervise, are starting points for ethnic unrest. Absence of strong state institutions creates “security concerns” for individual groups. As a result, these groups seek to provide their own safety by forming defensive institutions. This, in turn, might be perceived as a threat to the security of other groups. Each side seeks to increase its capabilities while undermining the others.’ A vicious cycle, a security dilemma can be

¹⁷ Brown, Michael E. “The Causes of Internal Conflict,” p. 14

¹⁸ Lake and Rothchild. p. 8

¹⁹ Brown, Michael E. “The Causes of Internal Conflict” in *Nationalism and Ethnic Conflict*, The MIT Press, 2000

²⁰ Cornell, Svante “Autonomy In the South Caucasus: A Catalyst of Conflict?” prepared for the ASN Fifth Annual World Convention (2000), New York, 14 April 2000, Harrimann Institute, Columbia University

²¹ Brown, Michael E. “ The Causes of Internal Conflict” in *Nationalism and Ethnic Conflict*, The MIT Press, 2000

the result of such a race. The third factor of structural factors, “ethnic geography,” foresees that states with ethnic minorities are more prone to conflict. The risk further increases when the minorities are not intermingled with the main population and are concentrated in a separate geography.

Political Factors: This is the second group of underlying factors, according to Brown. This group comprises “discriminatory political institutions, exclusionary national ideologies, inter-group politics, and elite politics.” The first one, “discriminatory political institutions,” involves ethnic resentments that may appear when ethnic groups are inadequately represented in government, the courts, the military, the police, the political parties, and other state or political institutions. Secondly, the national ideology that links citizenship to ethnic, or racial criteria, may create ethnic tensions within the country. The third element of political factors, “inter-group politics,” states that prospects for violence are greater if groups, whether political, ideological, religious, or ethnic ones, have ambitious objectives, strong senses of identity, and confrontational strategies. The fourth element, “elite politics,” involves elites who often provoke ethnic conflicts in times of political or economic turmoil to contain their domestic challengers. One example is Yugoslav leader Slobodan Milosevic’s ascent to power, his policies to retain it, and the resulting genocidal civil war that ensued.

Economic and the Social Factors: This is Brown’s third group of underlying factors and it includes “economic problems, discriminatory economic systems, and the effects of rapid or unbalanced economic development and modernization.”²² “Economic problems” that entail unemployment, inflation, and competition for resources create social frustrations that could lead to social unrest. “Economic systems that discriminate” based on ethnicity and clan can multiply resentments and social unrest. These policies may include unequal economic opportunities, unequal distribution of resources or sharp differences in the standards of living. These policies are among the reasons articulated by Karabagh Armenians as among their major grievances against Azerbaijan. Azerbaijan allegedly tried to make them remain backward by not allocating necessary resources in the region. Although the per capita income of the Karabagh Armenians was higher than

²² Brown, Michael E. “The Causes of Internal Conflict” in *Nationalism and Ethnic Conflict*, The MIT Press, 2000

that of the rest of the Azerbaijan, it was lower than the per capita income of their ethnic brethren in Armenian SSR. Thirdly, “rapid or unbalanced economic development,” industrialization, new technologies, and modernization might create ethnic tensions. These kinds of developments generally cause migration and urbanization, which disrupt traditional family and social structures. They also raise economic and political expectations and lead to frustration when these expectations are not met. In the absence of traditional social institutions, these resentments and frustration may explode in the form of social unrest. Donald Horowitz, as explained previously, also adopted this approach by identifying the dichotomy between traditionalism and modernism as the source of ethnic conflict.

Cultural and Perceptual Factors: This is Brown’s last group of underlying factors for the ethnic mobilization and eventual ethnic conflict. These factors include the patterns of “cultural discrimination and the problematic group histories.” “Cultural discrimination” may include unequal educational opportunities, legal and political constraints on the use or teaching of native languages, constraints on religious freedoms, or forceful assimilation attempts. In our case, Karabagh Armenians also claimed that Azerbaijan was applying discriminatory educational policies. Azerbaijan was allegedly preventing the Armenian language television broadcasts and trying to settle ethnic Azeris. Group histories and group perceptions with accompanying myths form another element of cultural/perceptual underlying factors. Accordingly, ethnic groups manipulate the events of the past to glorify their own histories while demonizing their neighbors and adversaries. These “created” ethnic mythologies become distorted and exaggerated with each passing generation. These myths become even more complicated if rival ethnicities have mirror images of each other. Some scholars argued that this is one of the factors that caused the Karabagh conflict. Armenian and Azeri nationalism developed out of hostility for one another, out of self-glorification and the demonization of the other.

Nationalist revolutionary feelings began to develop in the region in the 1870s. In the late 19th century, Russian meddled in the Ottoman Empire and, as a consequence, the Ottoman Armenian rebellions increased. As the Ottomans suppressed these Armenian rebellions, the Armenian nationalist sentiments and revolutionary movements proliferated. These movements aimed to cleanse all Turks and Muslims (including the

Azeris) from the so-called historic Armenia. However, the Turks and Azeris formed the majority in the areas the Armenian revolutionaries claimed. The existence of the Turks and the Azeris in those areas claimed by the Armenian revolutionaries were an obstacle to creating a “Great Armenia.” Such ethnic hostilities are still very intense on the Armenian side, as Iskhanian argues:

[To] curse at Muslims and especially at Turks, to talk much about the Armenian Genocide, and to remind others constantly of the brutality of the Turks are all regarded as expressions of patriotism. Among the leaders of the past, we consider those who curse Turks and killed Turks to be the most patriotic. Our most recent heroes are those who assassinated Turkish diplomats in European cities . . . [this] is the dominant mentality.²³

Armenian desires to form an ethnically homogenous state would inevitably come at the expense of the Azeris living in the same geography. Azeris, in return, were developing their own ideologies. Like their Crimean Tatar brethren, Azeri intellectuals were holding on to Pan-Turkish ideals with the intensification of the Russification campaigns.²⁴ As pro-Turkish sentiments developed among the Azeri intellectuals, they unavoidably came into conflict with strong Anti-Turkish sentiments of Revolutionary Armenians. Armenians increasingly equated the Azeris with the so-called anti-Armenian Ottoman Turks. As one scholar put it:

Much of Armenian identity is wrapped up in what they said to have suffered at the hands of the Turks, and since the Azerbaijanis are Turks, (Azeri is a Turkic language); hostility felt towards one people is transferred to another.²⁵

As Brown elaborated, underlying factors are necessary but not enough to start an ethnic conflict. We will call the factors that actually trigger the conflict as *proximate or triggering factors*. These factors are grouped as follows:

²³ Iskhanian Rafael “The Law of Excluding the Third Force,” received from Kaufman, Stuart J. “Ethnic Fears and Ethnic War in Karabagh,” PONARS Working Paper No. 8, p. 16

²⁴ For detailed account of Russification campaigns, review “Azerbaijan’s First and Second Republics: The Problem of National Consciousness” Audrey L. Altsadt, University of Massachusetts, through internet <http://ourworld.compuserve.com/homepages/usazerb/345.htm>

²⁵ Laitin, David D. and Suny, Robert Grigor, “Armenia and Azerbaijan: Thinking a Way out of Karabakh” www.mepc.org/journal/9910_laitinsuny.html

Internal Elite-Level Triggering Factors: These are related to bad leaders and bad governance.²⁶ These factors may include power struggles involving civilian or military leaders; ideological contests over a country's political, economic, social, or religious affairs; or criminal assaults on the state.²⁷

Internal Mass-Level Triggering Factors: These factors are related to bad domestic problems, which can be caused by rapid economic development and modernization or by the patterns of political and economic problems. Brown contends that internal mass-level factors triggered the Nagorno Karabagh Conflict as the Soviet Union dissolved highlighted problematic ethnic geography and patterns of discrimination.

External Elite-Level Triggering Factors: These factors comprise the deliberate decisions of governments to trigger conflict in neighboring states for various purposes of their own. Russian meddling in Georgia and Azerbaijan or the Armenian intervention in the Karabagh conflict falls into this category.

External Mass-Level Triggering Factors: A typical cause of these factors is refugee flows that bring turmoil, violence and instability into host countries. We can also call it the "spillover effect." Palestinian refugee flows in Jordan and the ensuing "Black September" incidents in which Jordanians had to crush a Palestinian uprising is an example of the spillover effect. Another example is the Lebanese civil war. Nearly one million Azeri refugees after the war may also be a destabilizing factor and enormously strain the Azerbaijani economy.

Stephen Van Evera sums up the triggering factors of an ethno-political conflict in four hypotheses. He contends that the risk of war is greater:

- When the proportion of stateless nationalities is also great
- When the nationalities pursue the recovery of national diasporas intensively, and when these nationalities pursue annexationist strategies of recovery
- When the goals that nationalities pursue toward one another are hegemonistic;

²⁶ For a detailed study of the role of the domestic elites in the eruption of ethnic conflicts, see Jack Snyder, "From Voting to Violence: Democratization and Nationalist Conflict," W W Norton Press, 2000, pp. 45-88

²⁷ Brown, Michael E. "The Causes of Internal Conflict" in *Nationalism and Ethnic Conflict*, The MIT Press, 2000, p. 16

- Moreover, when nationalities severely oppress minorities living in their states.²⁸

Cornell encompasses most of the above-mentioned ideas and provides an inclusive account of reasons for ethnic mobilization by using the willingness-opportunity approach. In his opinion, four main factors help bring about an ethnic mobilization and an ethno-political conflict.

Group Cohesion and Willingness: Cornell includes in this group “cultural differences, political discrimination, national conception, past conflict and the perception of the other.” A conflict does not qualify as an ethno-political character if it does not emanate from cultural differences. The risk of the conflict increases with the intensity and the depth of the cultural differences. Cultural differences may include differences in language, religion, physical appearance, customs, traditions, etc. Brown discussed aspects of the political discrimination previously. Cornell further adds that discrimination is largely a matter of perception. He contends that it is not actually important if such discrimination did indeed happen, but merely if a group imagined they are being discriminated against. Different interpretations or implementation of nationalism (such as civic, genealogic, ethnic, etc.) may also cause ethno-political conflicts. A conception of nation based on civic nationalism tends to be more peaceful. Conversely, a state’s official nationalism dominated by an ethnic conception of the nation tends to be counterproductive and prone to ethnic conflict. Cornell’s account of past conflict and perception of the other parallels Brown’s Cultural-Perceptual factors.

Capacity for Action: This is Cornell’s label for the second group of factors for ethnic mobilization and ethno-political conflict. These factors include “settlement patterns, rough terrain, demography, ethnic kin, economic factors, and the availability of arms.” The possibility of a secessionist movement becomes higher if an ethnic group is concentrated in a certain geography. For example, Cornell claims that “rough terrain,” especially the mountains or heavy forests increase the risk of conflict. According to studies concluded after the collapse of the Soviet Union, mountain groups were six times more likely to experience large-scale fighting with the state.²⁹ In terms of

²⁸ Stephen Van Evera, “Hypotheses on Nationalism and War,” *International Security*, Vol. 18, No. 4, Spring 1994, p. 8

²⁹ Cornell, Svante “Autonomy in the South Caucasus: A Catalyst of Conflict?” prepared for the ASN Fifth Annual World Convention (2000), New York, 14 April 2000, Harrimann Institute, Columbia

“demography,” an ethnic group’s numerical strength compared to its state’s population and its ethnic composition in the region it inhabits determine the risk for an ethno-political conflict. “The existence of an ethnic kin” in a neighboring state (especially if it is the majority in that state) also increases the risk of an ethnic conflict. Cyprus and Karabagh constitute good examples, in which the existence of ethnic kin in neighboring states bolstered the respective minorities in their quest for security or secession. Iran’s policies over Azerbaijan create a contradiction in which Iran inhabits a considerable Azeri population but nevertheless supports the Armenian side. Cornell’s economic factors are in parallel with Horowitz and Brown as previously discussed. The “availability of arms” is more or less related to other factors such as geography and external support. Arms invariably increase the possibility of a conflict, as was the case in the Caucasus, which abounded in the Soviet arsenal.

Political Opportunity: This is the third group of factors that Cornell says can cause ethno-political conflicts. Actually, Cornell considers the “political opportunity” as the catalyzing factor. This group includes “political transition and a weakening of state structures, radical leadership and external support.” Conflict is more likely to emerge in times of “political transition,” which decreases state repression. As state structures weaken, the opportunity for political action increases. In Karabagh, the conflict erupted with Gorbachev’s Perestroika process and the consequent Soviet collapse. The political leaders’ ambitions to stay in power or to gain economic benefits also play a part in the eruption of ethno-political conflicts. “Radical leadership” also largely affects the course of events and the risk of conflict. Radical leadership was one of the main reasons in the Karabakh conflict, too. The radical Karabagh Committee on the Armenian side and the resulting Azerbaijan Popular Front on the Azeri side hijacked the situation in Karabagh and made a peaceful solution almost impossible. Cornell also included “external support” as another factor that falls under the heading of “political opportunity.” The Republic of Armenia, Russia, and the Armenian Diaspora abroad supported the Karabagh Armenians militarily while Azerbaijan resorted to hiring mercenaries from Slavic CIS states and Afghanistan.³⁰

University

³⁰ For details on the foreign mercenaries and foreign forces on both sides, see Helsinki Human Rights Watch “Seven Years of Conflict in Nagorno Karabagh,” December 1994

Autonomy: This is last factor Cornell mentions as a reason for ethnic mobilization. Cornell contends that the existence of territorial autonomy and the economical viability it entails significantly increase the risk of a conflict. Autonomy promotes and institutionalizes the separate identity of the autonomous ethnicity. It provides clearly defined borders, ethno-territorial administrative units, separate systems of native language education, mass media opportunities to influence the population, an institutionalized decision-making capacity and a succession mechanism. Autonomy also provides crucial tools for political entrepreneurs to achieve a leading political position and legitimacy. All these increase group cohesion and a willingness to act and also enable the group to act through these state-like political institutions.³¹

In light of all these theoretical explanations and the events that occurred in the Karabagh conflict, we can finally assume that Karabagh Armenians had a strong willingness to act because of deep cultural differences and their remembrance of past conflicts with all the accompanying myths. The autonomous status of their region afforded them the necessary tools to create group cohesion. External support, as a catalyzing factor, was available through Armenia and Russia, as will be elaborated in the second chapter. Such a support neutralized the demographic disadvantage and economic dependency of Karabagh on Azerbaijan. Finally, another catalyzing factor, radical leadership made the ethnic conflict unavoidable.

³¹ Cornell, Svante “Autonomy in the South Caucasus: A Catalyst of Conflict?” prepared for the ASN Fifth Annual World Convention (2000), New York, 14 April 2000, Harrimann Institute, Columbia University

III. HISTORICAL BACKGROUND OF THE KARABAGH CONFLICT

The Caucasus region was the scene of military conquests and migrating peoples for centuries as its changed ownership from Greeks, Persians, Arabs, Mongols, Turks, and Russians. After several wars with the Ottoman Empire and Persia, the Russian Empire consolidated its conquest of the Caucasus by 1829. Until then, the region was governed by semi-independent khanates as vassals to the Persian Empire. These khanates were legally part of Persia but actually independent in their affairs. No incidence of violence was recorded among the ethnically and religiously diverse peoples of the region during the different phases of the Ottoman and the Persian rule. After the consolidation of the Russian hegemony, Russians introduced population exchanges to retain control of the region. Accordingly, they began to replace the Muslim majority on the borderlands with the culturally and religiously more compatible Armenian population. Regarding this population as more reliable, Russians encouraged the Armenians to emigrate from Persia and the Ottoman Empire.³² Population exchanges, as intended, succeeded in changing the demographics of the region. Predominantly Azeri-populated areas were systematically cleansed and re-populated by Christians, including newly arriving emigrants from the Persian and Ottoman lands. Even today's modern day Armenia and Nagorno Karabagh is mostly the product of this policy. According to Justin McCarthy:

An Armenian majority came to pass in what today is the Republic of Armenia, a majority created by the Russians. Erivan, approximately the area of the present Armenian Republic, was until 1827, an Iranian province with a Muslim (primarily Turkish) majority.³³

Muslims became a minority within five years, by 1832. The situation is almost the same in Karabagh. According to Svante Cornell, Russian census reports showed the

³² Justin McCarthy, in his book "Death and Exile," (The Darwin Press, 1995, p. 14) said, "The Russian expansion was at the expense of Muslim rulers and the conquest was the conquest of Muslim peoples . . . They denuded the areas they conquered of Muslims and replaced them with Christians . . . Russian conquest of Muslims was a policy consistently and effectively applied for 150 years. The ethnological map of South Russia, the Crimea, and the Caucasus today reflects the success of Russian operations."

³³Ibid, p. 31

percentage of Armenians compared to the Muslim majority as only nine percent in 1823, compared to a 53 percent Armenian majority in 1880.³⁴ Forced displacements of this kind would inevitably generate mistrust. In addition to population exchanges, Armenians also attempted to buy out the Azeris from their lands. The fact that Armenians accumulated their wealth from Azeri oil further contributed to Azeri resentments. Within a few decades, the Tsarist and the subsequent Soviet nationality policies exacerbated the already tense relations. These policies centered on the need to create hot spots between ethnicities and to ensure a Russian role in future conflicts. Playing one ethnicity off another, together with contested and ambiguous borders, would fuel the resurgence of ethnic nationalism and extremism.

A. THE EARLY PERIOD IN AZERBAIJANI-ARMENIAN RELATIONS (1905-1987)

The ongoing tensions mentioned above turned violent in 1905 after an ethnic Armenian policeman killed an Azerbaijani in Baku. The violence spilled over to Nakhcivan shortly afterwards. Clashes between the Armenians and Azeris continued until order could be restored in 1907.³⁵ This began the violent relations of these two ethnicities. With the start of World War I, Armenians in Russian Armenia and Eastern Turkey sided with the Tsarist Russia against the Ottoman Turkey. The Caucasus as well as Eastern Anatolia became the theater of struggle between the Ottomans and the Russians, involving regular and irregular Armenian forces on the Russian side.

Russia created a special role for the Armenians on the Caucasus front. Unlike the Georgians, who served in regular units, and the Azerbaijanis, who were excluded from service because they were Muslim and therefore regarded as unreliable, the Armenians were encouraged to form their own battalions. The Armenian volunteer battalions were in action until 1916. The authorities also subsidized independent Armenian military activity by channeling 200,000 rubles to the Dashnaks for use in mounting operations

³⁴ Cornell, Svante "The Nagorno Karabagh Conflict," Department of East European Studies working paper, 1999, p. 5

³⁵ Some 10,000 Azeris were killed in these clashes according to Eric Feigl, (Feigl, Eric, *Un Mythe de la Terreur-Le Terrorisme Armenien, ses Origines et ses Causes*, as quoted by Cornell in "The Nagorno Karabagh Conflict," p. 6 and Suzanne Goldenberg in her book, *Pride of Small Nations: The Caucasus and Post-Soviet Disorder*, (Zed Books, 1994) while Croissant puts the number of casualties at around 1,500 in his book, *The Armenia-Azerbaijan Conflict*, p. 9

and uprisings in Turkish Armenia.³⁶

Shortly after the war started, Armenians in Eastern Turkey rebelled against their government. The Ottoman Turkish government of the time deported the country's Armenian population from Eastern Anatolia in due course. This in turn caused the Armenian nationalist sentiments to further radicalize. The course of events was to change dramatically with the October Revolution in Russia in 1917. Consequently, Russians withdrew from the war after the Brest-Litovsk treaty. This generated unexpected results in the Caucasus region and the inhabiting peoples. With the Russians gone from the Caucasus, two rivaling governments existed in Azerbaijan. Nationalists under the Musavat Party formed a government in the city of Gence, while the Bolsheviks, headed by an Armenian commissar, Stephan Shaumian, formed their own government in Baku. In March of 1918, a civil war erupted between the Bolsheviks and the Musavat Party supporters in Baku:

Armenian forces allied with the Bolsheviks to crush a Musavat bid to gain control of the city. Equating the Musavats with the Turks, the Armenians set out to take revenge for the persecution and the “so-called” genocide suffered at the hands of the Ottomans.³⁷

Events known as the “March Days” turned into a massacre of the Muslim population of the city under the cloak of ideological conflict.³⁸ With the Russians gone as the imperial power from the region, a South Caucasian Republic was declared, consisting of the Azeri Musavat Party, the Armenian Dashnaks, and the Georgian Mensheviks on April 22, 1918. It was an odd constellation since each side seemed to pursue different goals. Each ethnicity had differing plans for the future. Armenians were leaning to the allied powers of Britain, France or at worst Russia. Georgians, on the other hand, were opting for a German alliance, while the Azeris preferred the Turks. As a result, reconciling the existence of a single state proved impossible as each side had differing agendas. Azerbaijan and Georgia declared their independence on May 27, 1919, only to be followed by Armenia two days later. For a brief period (between September

³⁶ Goldenberg, Suzanne, *Pride of Small Nations*, p. 31

³⁷ Croissant, Michael P, *The Armenia-Azerbaijan Conflict*, p. 14,

³⁸ Some 30,000 Muslim inhabitants of the city were massacred according to Goldenberg, Suzanne, *Pride of Small Nations*, p. 33

and November of 1918), Turkish forces captured Baku and the Caucasus. The Azeris then set out to take their revenge for the March Days.³⁹

British forces replaced the Turks soon after the war and the Ottomans were suing for peace. Due to their contribution to the allied war effort during World War I, Armenians expected the British to support their claims on the Karabagh. Despite the Armenian expectations, the British supported the Azeri authority over the Nagorno-Karabagh by appointing an Azeri Governor-General. Protesting the Azeri authority, Karabagh Armenians revolted in August 1919. Azerbaijani forces suppressed the revolt in Karabagh and after the capitulation of the rebels, the situation relaxed for a short time. The Governor-General appointed an Armenian as his assistant. The Azerbaijan government also formed a council to administer the region and included several Armenians in it. The region was given autonomy shortly afterwards. After the British withdrew from the area, another armed Armenian uprising began in Karabagh in March 1920. While Azerbaijan shifted its forces to suppress the rebellion, the Bolsheviks captured Baku unopposed on April 27, 1920. Azerbaijan then became a Soviet Republic. The Bolsheviks asked the Armenian forces to leave the Karabagh and occupied the region in May 1920.

Meanwhile, Turkey was fighting for its survival against the invading Greek Armies in the Western Anatolia. Instead of trying to consolidate its position against an imminent Bolshevik threat on its border, the Armenian Dashnak government tried to capitalize on Turkey's predicament. The Armenian Army attacked Turkey's eastern provinces to compensate for its current losses in Karabagh. The Armenian attack aimed to take the area, which the victorious allies had promised them during the war in return for their rebellion against the Ottomans. Turkey's Eastern Army defeated the Armenians and pushed them back. The Armenians were suing for peace shortly after their defeat. An agreement was accorded on November 18, 1920, ending the hostilities. Two weeks later, the Bolsheviks occupied Armenia on December 1st. As a result, violence in the region stopped for the next six decades until the late 1980s.

³⁹ Some 10,000 Armenians were killed according to Goldenberg, Suzanne, *Pride of Small Nations*, p. 34

Shortly after Armenia was incorporated into the Soviet Union forcibly, the revolutionary committee of Azerbaijan issued a statement on December 2nd, seemingly as a gesture, but in reality under Soviet pressure, saying that the Karabagh, Zangezur, and Nakhcivan regions of Azerbaijan were transferred to the Armenian Republic, as “boundaries had no meaning among the family of Soviet peoples.⁴⁰” However, the Bolshevik leader of Azerbaijan, Nariman Narimanov, refused this transfer with the support of Stalin, who was the Soviet commissar for nationalities at the time. On July 4, 1921, the Caucasian Bureau of the Soviet Communist Party transferred Karabagh to Armenian SSR. Azerbaijan’s forced declaration on December 2nd was the basis of the bureau’s decision. However, Stalin allegedly influenced the bureau members and reversed that decision the next day. The declared reasons were the need to maintain peace between the Armenians and the Muslims, and the economic tie between Karabagh and Azerbaijan. In reality, the soviet ploy was similar to the Tsarist plot, namely to create and to maintain trouble spots between client ethnicities.⁴¹ Some writers argue that the main motivation was a desire to show a sign of “good will” to Republican Turkey and to recruit it to the Bolshevik Revolution.⁴²

⁴⁰ Hovannisian, Richard G. “Mountainous Karabagh in 1920: An Unresolved Contest,” *Armenian Review*, Vol. 46, No. 4 (1993). This expression is quoted in Croissant, *The Armenia-Azerbaijan Conflict*, p. 18

⁴¹ Croissant’s interpretation of the motive behind Stalin’s decision is in the same parallel. He claims that: “By placing the region (Karabagh) within the borders of Azerbaijan, the Armenian inhabitants could be used as potential hostages to ensure the Armenian SSR’s. By the same token, an autonomous Armenian enclave within Azerbaijan could serve as a potential pro-Soviet fifth column in the event of disloyalty by the Azerbaijanis.”

⁴² Tchlingirian, Hratch “Nagorno Karabagh: Transition and the Elite” *Central Asian Survey*, Vol. 18, No. 4 Dec. 1999 p. 441. As quoted in Cornell’s “The Nagorno Karabagh Conflict,” p.10, Richard Hovannisian contends that “Soviet Russia, on the international front, sacrificed the Armenian Question to cement the Turkish Alliance.” Allegedly, Turkey’ concluded agreements with the Bolsheviks at the expense of Armenia. Turkey’s motive was to keep Armenia weak, to guarantee new Turkish Republic’s territorial integrity. Turkey’s motive coincided with Stalin’s desire to divide the South Caucasian Nations to avoid a unified resistance. Cornell contends on the same page that “This (Soviet decision) is in a sense surprising, given that the Armenians had historically been far more benevolently disposed towards- as well as favored by- Russian rulers than the Azeris. In retrospect, this decision may have been to Azerbaijan’s immediate favor, but in the end the Armenians’ feeling of frustration with the loss of western Armenia (writer implies the Eastern Turkey, which was promised to Armenians during the First World War in return for their collaboration against the Ottoman Turks. Armenians constituted a minority despite their claims of the region as being the Western Armenia) despite western promises and the loss of Nagorno Karabagh and Nakhcivan, despite Soviet promises, proved to be a catalyzer of conflict.”

After this decision to retain Karabagh within the Azerbaijan SSR, the status of Karabagh had to be negotiated. Karabagh was given the rank of an autonomous Oblast (region), as Stalin officially formed Nagorno-Karabagh Autonomous Oblast on July 7, 1923. While drawing the borders of the Oblast, Stalin made sure that it was separated from Armenia physically by a strip of land, known as the Lachin Corridor. Armenians attempted to gain the support of the communist authorities to transfer Karabagh to Armenian SSR since 1930s, but Soviet Authorities did not take these attempts seriously. Despite several violent events in 1963 and 1968 resulting in casualties, relative calm ensued until the infamous Glastnost era.

B. RESURGENCE IN THE KARABAGH CONFLICT (1987-1991)

The Karabagh conflict had a turning point with the rise of Mikhail Gorbachev to power as General Secretary of the Communist Party in 1985. Gorbachev's ascent to power initiated drastic changes and tendencies in the Soviet Union that would have a crucial effect on the conflict. Desiring to stimulate a lagging economy, he set out economic restructuring and an accompanying liberalization program known as Glastnost (openness). This program of openness intended to mobilize popular support for the economic reforms and to force the heavy-handed Party officials into action by exposing them in this relative freedom of speech. However, as the Soviet regime gained and retained its legitimacy through repression, creating the environment of relaxed state control would open up the Pandora's box of resentments with consequences devastating for the integrity of the Soviet Union and the stability in the Caucasus.

With the loosening of the Soviet grip, tensions that could be contained previously started to surface again after a long period of suppression. In August of 1987, the Armenian Academy of Sciences sent a petition to Gorbachev signed by 75,000 Karabagh Armenians demanding the inclusion of Karabagh to Armenia. Armenian Scholars in that petition claimed that,

Azerbaijan was implementing a "Turkish Pan-Islamist" plan to take back land captured from Turkey by Catherine the Great. "They are not only kicking out Armenian and Russian inhabitants from Nakhcivan and Karabagh, but also, by realizing the plans of NATO member Turkey, they have created a string of Muslim villages which consider themselves Turkish along the Soviet frontier."⁴³

⁴³ Kaufman, Stuart J. "Ethnic Fears and Ethnic War in Karabagh," PONAR Working Paper No. 8, p.

The removal of Heydar Aliyev, a former KGB general of Azeri ethnic origin who is currently the President of Azerbaijan, from the Soviet Politburo in October 1987 caused unrest in Azerbaijan. Armenians, at the same time, were allegedly receiving encouraging signals from the high-level Soviet officials regarding Armenian demands over Karabagh.⁴⁴ The first conflict between the Azeris and Armenians emerged in October of 1987 when the Armenians opposed the nomination of an ethnic Azeri as a Kolkhoz (collective farm) director in a predominantly Armenian village outside Karabagh. Some local Azeris assaulted opposing Armenian villagers.⁴⁵ Upon the spread of the news, mass demonstrations in Yerevan and Karabagh for supposedly environmental reasons took a political form asking for the transfer of Nagorno Karabagh from Azerbaijan to Armenian SSR. Anti-Azeri demonstrations led to the forced evictions of Azeris from Armenia. In late January 1988, the first group of refugees started to flow from Armenia and most of them were settled in Sumgait, an industrial suburb of Baku, which would be the scene of further violence.

On February 20, 1988, the Karabagh Parliament (Regional Soviet of the Nagorno Karabagh Autonomous Oblast) accepted a resolution (with 110 to 17 margin, 13 abstained) requesting the transfer of Karabagh to Armenia. The Central Committee of the Soviet Communist Party unequivocally rejected this request on February 23, 1988. This in turn made the demonstrations in Armenia and Karabagh an everyday event, ultimately leading to further harassments and the eviction of Azerbaijanis from Karabagh and Armenia. With waves of displaced Azerbaijanis arriving, together with the ongoing Armenian demonstrations, counter demonstrations were held in Azerbaijan. These demonstrations took a violent character after the reports that two Azerbaijanis were killed

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⁴⁴Cornell, in his “Small Nations and Great Powers: A Study of Ethno-political Conflict in the Caucasus, Curzon Press, 2001” p. 79 states that Abel Agenbeyan, an ethnic Armenian and advisor to Gorbachev, told a French Newspaper in November 1987 that Karabagh would soon be transferred to Armenian SSR. Stuart Kaufman also argued that throughout the fall of 1987, some prominent Armenians, such as scholar Sergei Mikoyan; Advisor to Gorbachev, Abel Aganbeyan; writer Zori Balayan had publicly speculated that the Karabagh issue would be resolved soon, thus raising expectations among the Armenians. (Kaufman, Stuart J. “Ethnic Fears and Ethnic War in Karabagh,” PONAR Working Paper No. 8, p. 25)

⁴⁵ It is hard to determine what really happened as some sources use rather vague language in describing the events, such as “crack down,” and “beating,” etc... without concrete description of the treatment Armenians received, but there were no casualties reported.

on February 27, 1988, in a city within the Karabagh.⁴⁶ Race riots flared up in Sumgait, on the 28th and 29th of February against the Armenians, thus accelerating the exodus of peoples toward their home countries on both sides.⁴⁷ After the Sumgait riots, around 160,000 Azeris and 40,000 Armenians left for Azerbaijan and Armenia respectively.⁴⁸

Meanwhile, Armenian activists had formed a “Karabagh Committee” to pursue the goal of unifying Karabagh with Armenia, and its two representatives met with Gorbachev demanding unification with Armenia. Gorbachev answered through a decision by the presidium of the Supreme Soviet, the highest institution of the Union, on March 23, 1988 rejecting such a transfer without a chance of repeal, because it violated the Soviet constitution to change territory without the consent of the republics in question. This decision further accelerated the eviction of Azeris from Armenia and some parts of Karabagh.⁴⁹ On June 13, 1988, Supreme Soviet of Azerbaijan declared that the Karabagh Soviet’s vote in February for unification with Armenia was unacceptable as it was a violation of the Soviet constitution and Azerbaijan’s territorial integrity. On June 15th, the Supreme Soviet of Armenia passed a resolution calling for the USSR Supreme

⁴⁶ Cornell contends in “The Nagorno Karabagh Conflict,” p. 16 that other than the news of murdered Azeris, there were rumors saying that Armenians had declared victory in Yerevan after meeting with Gorbachev. These rumors further inflamed the Azeris and led to anti-Armenian pogroms. In these events, Azeri thugs killed 26 Armenians while Armenians killed 6 Azeris.

⁴⁷ Igor Nolyain has a different version of events in Sumgait in “Moscow’s Initiation of the Azeri-Armenian Conflict,” *Central Asian Survey*, Vol. 13, No. 4, 1994

⁴⁸ Haxton, Michael and Mincheva, Lyobov “Armenians in Azerbaijan” via www.bsos.umd.edu/cidcm/mar/azearmen.htm

⁴⁹ Nature of the ethnic cleansing perpetrated on both sides differs from each other in character. Azerbaijanis expelled their Armenian neighbors as a reaction to the frustration against Armenian irredentism. Azeri violence against Armenians was spontaneous rather than planned. Armenians, however, took a more systematic approach in their ethnic cleansing campaign. Prof. Robert Grigor Suny from the University of Chicago and David Laitin from the Stanford University contend that, “As horrific as the killings in Azerbaijan were, it should be noted that the initial tragic events were affairs of a few days rather than a methodical, prolonged genocide of local Armenians. There was no overall Azerbaijani plan to rid Azerbaijan of Armenians, certainly not to murder them systematically. Even today, some Armenians manage to live in Baku without overt threats or ethnic slurs. It is clear that the key actors in the pogroms were Azerbaijani refugees forced out of Armenia . . . In extensive interviews carried out with Azerbaijani refugees and IDPs, a very clear story emerged. Armenian militias along with civilian compatriots systematically cleansed the corridor separating Armenia from Karabagh in a cold-blooded campaign. Armed bands relied on local Armenians to identify Azerbaijani villages and homes and then recruited these people to burn down the homes of their neighbors . . . From 1988 to 1993, an estimated 20,000 Azeris were killed, all but a few hundred in the fighting. 233, 700 refugees were created along with 551,000 IDPs. The bulk of the refugees and the IDPs were from Azerbaijani territory outside the formal territory of Karabagh itself.” Suny, Robert Grigor and Laitin, David D. “Armenia and Azerbaijan: Thinking a Way Out of Karabagh,” *Journal of Middle East Policy*, Vol. VII, No. 1, October 1999.

Soviet to accept Karabagh's request to incorporate into Armenia and voted unanimously for unification with Karabagh. The Azerbaijani Supreme Soviet protested and rejected that decision on June 17th, to be followed by the presidium of the Soviet Supreme of the Soviet Union on June 28th. On July 12th, the Karabagh Parliament voted in favor of unilateral secession from Azerbaijan, to be rejected by the Azerbaijan Supreme Soviet and the Presidium of the Supreme Soviet on July 18th. Demonstrations and violence increased on both sides, organized by the Karabagh Committee and Armenian Nationalistic Movement (ANM) on the Armenian side and the Azerbaijan Popular Front (APF) on the Azeri side. Anticipating further unrest, Moscow declared a state of emergency in Karabagh in September 1988.

A devastating earthquake struck Armenia on December 7, 1988. Soviets used the earthquake as a pretext to arrest the leaders of the Karabagh Committee on charges of creating public disorder and that they were preventing the distribution of the aid in the earthquake zone.⁵⁰ On January 12, 1989, Karabagh was put under direct control of the USSR Supreme Soviet. On August 16th, Karabagh Armenians held unauthorized elections and formed a national council of 78 members to replace the council set up to administer the region under Moscow's direct rule. In September, Armenian Supreme Soviet passed a resolution recognizing the National Council as the only legitimate body to represent the people of the Nagorno Karabagh. National Council increased its efforts to create armed units with support from Armenia and Armenian factions in the Middle East, which would prove invaluable against the unprepared Azerbaijanis in the future. Armenian moves in turn led to a series of Azeri strikes and a railroad blockade against Karabagh. Azerbaijan Popular Front (APF) was staging mass demonstrations against Azerbaijan's communist leaders, accusing them of indifference to legitimate Azeri rights to Karabagh.

In the region, Soviet troops failed to suppress the paramilitary groups and instead served more as a source of weapons for these groups. Unable to restore order in the region, the USSR Supreme Soviet transferred Karabagh back to the Azerbaijan Supreme

⁵⁰ Karabagh Committee members allegedly refused the aid coming from Azerbaijan. Committee members were arrested under the pretext that they were hindering the distribution of the earthquake relief. They would be released though by Soviet authorities on 31 May 1989 after mass demonstrations and protests by Armenians.

Soviet on November 28, 1989. As soon as Moscow's rule was abolished and the region was transferred back to the Azeri administration, Armenia took an unprecedented move. Trying to capitalize on the perception that the Soviets tacitly conceded defeat, Armenia declared the unification of Karabagh with Armenia under a unified Armenian Republic on December 1, 1989. The Central Committee of the Communist Party of the Soviet Union declared this move unconstitutional a month later. Mass demonstrations were held in Baku from November 17th against the decisions of the Karabagh and the Armenian Supreme Soviet. The apathy of the Soviet and the Azerbaijan Communist Authorities to Azeri demands and reports that an Armenian attacked two Azerbaijanis in Baku started violent reprisals. In the ensuing events, a large proportion of Armenians living in Baku was expelled from the city from January 13 to January 14, 1990, followed by an Armenian response of deporting the remaining Azeris from Armenia.⁵¹ Skirmishes in the region between paramilitary groups increased dramatically following the mutual deportations. Meanwhile, demonstrations in Baku soon took an anti-Soviet and pro-independence character, which eventually led to the bloody suppression by Soviet troops dispatched by Gorbachev on January 19, 1990. Events known as the "Black January" left 130 Azeri dead.⁵²

After the bloody crackdown on Azeri nationalists, a loyal Communist, Ayaz Muttalibov, replaced the first secretary of Azerbaijan Communist Party. Muttalibov chose to cooperate with the Soviet central government and reasserted the authority of the Communist Party in Baku, despite the public outrage over the Soviet raid and the subsequent blood bath. Ongoing clashes between the paramilitary groups increased in frequency on the borders of Karabagh as displaced persons from both sides filled the ranks of the irregular units. This led to a sudden escalation of the conflict. To end the

⁵¹ The number of casualties is disputed by different sources. Human Rights Watch book, *Azerbaijan: Seven Years of Conflict in Nagorno Karabagh*, p. 2; Croissant, *The Armenia-Azerbaijan Conflict*, p. 37; Cornell, "The Nagorno Karabagh conflict," p. 23. An estimated 180,000 Armenians and 160,000 Azeris had left their homes for their native countries according to Cornell, *The Nagorno Karabagh Conflict*, p. 19

⁵² During Baku riots, Soviet Interior Ministry Troops, already present in Baku, did not intervene in the events as Azeri mobs took on local Armenian civilians. Cornell contends that, Azerbaijan Popular Front, the main nationalist group behind the demonstrations, condemned the riots and denounced Moscow for not intervening and argued that Soviets did so to justify an invasion of Baku, as it was afraid of the APF coming to power in Azerbaijan. This was to be proven correct after a week when Soviets rolled into Baku. Cornell, Svante "Undeclared War: The Nagorno Karabagh Conflict Reconsidered," *Journal of South Asian and Middle Eastern Studies* Vol. XX, No. IV, summer 1997.

clashes, which were already taking a relatively higher toll in civil and military losses, the Popular Fronts of Baltic States arranged a meeting on February 3, 1990 between the Azerbaijan Popular Front and the Armenian National Movement. That attempt ended in failure as each side countered each other with concepts of self-determination and territorial integrity. In May, Azerbaijan announced that 1989 census figures were inaccurate and did not reflect the true composition of Karabagh. In the same month, 22 Armenian militants were killed while trying to seize weapons and ammunition from a Soviet depot in Yerevan. This unpleasant experience on the part of Armenians did not stop them from participating in raids on Soviet military convoys, arsenal depots, and checkpoints to seize weapons and ammunition.

With the tensions escalating, unofficial militia forces proliferated on both sides. The Armenians were more successful in mobilizing for an imminent war, while the Azeris were appealing to the Soviet central government to resolve the conflict on their behalf. Weapons sent by radical Armenians from Armenia and Beirut allegedly supported armed groups among the Karabagh Armenians. Modern weapons acquired in the Middle East market were allegedly transferred to Karabagh in plane loads.⁵³ In August of 1990, Armenian militants attacked eight Azeri villages in the Kazan district of Karabagh. Soviet troops supported the Azeri units as the Azeri Internal Ministry troops countered Armenian attacks in the Khanlar district. Eventually the clash was subdued.

The organizations of independent militias in Karabagh and Armenia supported the efforts to secede from the Soviet Union altogether. Initially, the Supreme Soviet of Armenia elected Levon Ter Petrossian, one of the leaders of the Karabagh Committee and the Armenian National Movement, as the President of Armenia on August 5, 1990. On August 23rd, new leadership in Armenia declared its sovereignty with the intention to secede from the Soviet Union after a referendum. It also renamed the Armenian SSR as the Armenian Republic and called for the establishment of independent military forces. To achieve that goal, Petrossian disbanded the paramilitary groups that were becoming uncontrollable and tried to incorporate them into the Armenian armed forces, which he succeeded in doing after several minor clashes between the government troops and the unwilling militias.

⁵³ Cornell, Svante, *Small Nations and Great Powers*, p. 90

As opposed to their Armenian neighbors, Azeris were lagging behind in military preparations in anticipation of Soviet help.⁵⁴ To the disappointment of the Azeris, the future of the Soviet Union was far from secure. Trying to deal with the troubles unleashed by his Perestroika and Glastnost, Gorbachev was struggling to keep the Soviet Union united. To restrain the separatist movements in the Soviet periphery, he drafted a new “Union treaty,” giving more freedoms and autonomy to the republics after a referendum on March 17, 1991. While the Azerbaijan Supreme Soviet voted to participate in the referendum on March 7, the Armenian Supreme Soviet refused to take part on January 31, 1991. Armenia further declared on March 1st that the referendum’s results would not have legal force in its territory, which was also supposed to include Karabagh as had been declared on December 1, 1989. During these events, fighting broke out on the northern border of Karabagh between ever increasing Armenian militias, which were getting better-organized and equipped, and the Azerbaijani units supported by Soviet troops.

According to Azerbaijani interior ministry sources, there had been a notable increase of illegal Armenian migration to the region in order to artificially alter the composition of the local population and participate in the armed insurrection in the Northern part of Karabagh including the Shaumian region of Azerbaijan.⁵⁵

The Azerbaijan government and Soviet troops started conducting joint operations in April of 1991 to disarm and dispel Armenian paramilitaries and illegal armed formations, which were already actively engaging the Azeri troops and civilians in Karabagh. Known as the “Operation Ring,” this joint Azeri-Soviet operation aimed to screen the region to clear armed militants by establishing checkpoints, carrying out identification or document checks, and searching the villages for weapons and militants.⁵⁶ The Armenian government interpreted as a Soviet attempt to coerce the

⁵⁴ The communist authorities in Azerbaijan neglected the formation of Azeri armed forces either inadvertently or deliberately, which is hard to prove. The Azerbaijan Popular Front (APF) would eventually accuse the communist leadership of Azerbaijan of treason, as a numerically weak enemy, namely the Armenians, routed Azeris decisively in the battlefield. Moreover, the Azerbaijan Army’s level of weakness in equipment, training, logistics organization was exposed. Many conspiracy theories flourished at the time to explain the reasons for Azeri catastrophe.

⁵⁵ Helsinki Human Rights Watch, *Azerbaijan: Seven Years of Conflict in Nagorno Karabagh*, p.4

⁵⁶ Armenian civilians allegedly received bad treatment during these searches and some villages were emptied of their inhabitants. By the end of April 1991, 24 Armenian villages (consisting of 10,000 people,

Armenian Republic into cooperating with itself.⁵⁷ The operations, however, did not mitigate the conflict, as the Armenian militants resisted strongly. As a result, casualty figures rose to 816 by June of 1991.

C. ESCALATION AND WAR (1991-1994)

Events were in flux in the Soviet Union. Azerbaijan watched anxiously as its main support base was in turmoil. In August 1991, conservative and reactionary elements in the Soviet Communist Party and the KGB attempted a coup against Gorbachev. The attempt eventually failed, but it further accelerated the doom of the Union and ended the joint Soviet-Azeri military operations in Karabagh.⁵⁸ Armenians welcomed the failure of the coup, despite their aversion to Gorbachev while the Azeri leader Ayaz Muttalibov allegedly expressed his satisfaction with the coup, as he perceived that Gorbachev was dissolving his main power base, namely the Soviet Union. As the failure of the coup became evident, Muttalibov suppressed the APF to prevent a takeover, and had himself chosen as the president of Azerbaijan. He further distanced himself from the coup attempt by a declaration condemning the attempt and denying his support for the coup. Shortly afterward, Azerbaijan declared its independence on August 30, 1991. Soviet troops were still present in the Karabagh region during this time. Despite their confusion about the course of events and their future, the Soviet troops still minimally restrained the clashes between the armed groups.

Following Azerbaijan's independence, the Karabagh Soviet (Karabagh National Council) declared their Oblast an independent Soviet Republic, consisting of the former Nagorno Karabagh Autonomous Oblast territory and the Geranboy-Shaumian district of Azerbaijan outside the Karabagh on September 2, 1991. The Karabagh Armenians further declared that they would secede altogether from the Soviet Union if necessary, to coerce support for their declaration. Following the declaration of the Karabagh Armenians, the Azerbaijani forces moved to reverse this separatist move by force, which led to fighting between the Azerbaijani and the Armenian paramilitaries. As would be evidenced by the Haxton, and Mincheva in "Armenians in Azerbaijan") were cleared of its occupants because of the operation.

⁵⁷ Levon Ter-Petrossian later termed the Soviet military's actions supporting Azeri troops in disarming Armenian militias as an undeclared war against his Republic aimed at punishing it for not taking part in the March "all-Union" referendum.

⁵⁸ Baev, Pavel "Russia's Policies in the Caucasus" The Royal Institute of International Affairs, 1997

pace of events in the future, the time had passed for the Azerbaijan military to assert control, owing to their inferior level of preparations. Consequently, the Armenian forces halted the Azeri move and managed to establish strongholds in key villages. The mediation efforts of Russian President Boris Yeltsin and Kazakhstan President Nursultan Nazarbayev to broker a cease-fire on September 20 to 23 failed. After a short break following the mediation efforts, the Karabagh Armenian forces attacked Azeri villages, evicting their inhabitants from their homes while the Azeris tried to counter with missile attacks on Armenian villages. Among the clashes, Armenia declared its independence on September 23 following a referendum two days earlier.

From the level of equipment and the number of warriors in the hands of the Karabagh Armenian forces, the Azeri Government rightfully suspected the involvement of regular Armenian Republic troops. Seeing the poor performance of its troops, the Azerbaijan government nationalized all military hardware within the borders of Azerbaijan and in October 1991 recalled the ethnic Azeris serving in the Soviet Army.⁵⁹ However, this move would not benefit Azerbaijan to a considerable extent, as, unlike the Armenians, there was a shortage of experienced Azeri officers and conscripts in the Soviet Army. Azeri nationals, just as all other conscripts from Muslim Soviet Republics in the Red Army, tended to serve in construction battalions rather than combat units.

Azerbaijan cut off a pipeline to Armenia because of its role in the escalating the conflict in Karabagh on November 4. An Azeri helicopter-carrying Deputy Prime Minister and Interior Minister of Azerbaijan as well as Russian and Kazakh observers to the ongoing peace talks⁶⁰ was downed by Armenians over the Karabagh on November 20, 1991, killing twenty people. As a response to the helicopter attack and the Armenian blockade of Nakhcivan, a province of Azerbaijan cut off geographically from the mainland by Armenian territory, Azerbaijan imposed a railroad blockade to Armenia starting on November 25. On November 26, 1991, Azerbaijan Parliament abolished the autonomous status of the Karabagh, although it had only symbolic significance as Azeris had already started to lose control of the region regardless of its status.

⁵⁹ Goldenberg, *Pride Of Small Nations*, p. 165

⁶⁰ Croissant, *The Armenia-Azerbaijan Conflict*, p. 45

On December 8, 1991, a referendum held in Karabagh confirmed the secession from the Soviet Union, while ethnic Azeris were boycotting the referendum. The Soviet Union practically ceased to exist the same day, on December 8, as the leaders of three Slavic Soviet Republics declared the dissolution of the USSR and the formation of the Commonwealth of Independent States, open to voluntary participation of all former Soviet Republics. As a result, Soviet troops withdrew from the region in December, leaving the parties to the conflict in direct confrontation. Azerbaijan President Muttalibov issued a Presidential decree the same day on December 8, for a mobilization calling for people above 18 years of age to military service. The dissolution of the Soviet Union and the ensuing withdrawal of Soviet troops proved to be a catastrophe for the Azeris as they had heavily relied on Soviet authority to resolve the conflict while their Armenian neighbors were preparing for a final solution by force.

Now that there was no central authority restraining the conflicting sides, clashes increased rapidly. On December 21, 1991, Armenia decided to join the Commonwealth of Independent States (CIS), which Russia, Belarus, and Ukraine had established two weeks after the dissolution of the Soviet Union. Azerbaijan followed Armenia and joined in the CIS. On January 6, 1992, Nagorno Karabagh declared its independence as the Republic of Nagorno Karabagh. Simultaneously, Armenians started attacking Azeri positions to clear their newly declared republic of its Azeri population. On February 11, Armenian forces attacked and captured three Azeri villages, killing at least 100 civilians. After the capture of their initial targets, Armenians, on February 25, channeled their offensives on Khocali, a strategically located Azeri town. They pushed back Azeri forces and killed fleeing Azeri civilians⁶¹ with the alleged help of the 366th Russian (former Soviet) Motorized Rifle Regiment.⁶²

⁶¹ Death toll in Khojali differs depending on the sources. Helsinki Watch says, “There are no exact figures for the Azeri civilians killed because Karabagh Armenian forces gained control of the area after the massacre. While it is widely accepted that 200 Azeris were murdered, as many as 500 to 1,000 may have died,” p. 5, Cornell estimates the number at around 600, while Thomas Goltz, a Western journalist who witnessed the events and personally saw the casualties, report that there were 477 registered in the day he was present. According to him, this number excludes those missing and presumed dead, and those victims whose entire family had been wiped out so there remained no one to register the dead. “The number 477 represented only the number of the confirmed dead by survivors who had made it to Agdam and were physically able to fulfill, however imperfectly, the Muslim practice of burying the dead within 24 hours,” Goltz, Thomas, *Azerbaijan Diary: A Rouge Reporter's Adventures in an Oil-Rich, War-Torn, Post-Soviet Republic*, p. 123

⁶² Role of the 366th Motor Rifle Regiment in the massacre is reported by Paul Quinn- Judge, “In

The fall of Khojali and the ensuing Armenian massacre led to protests and demonstrations in Baku, where large crowds besieged the Azerbaijani Parliament demanding the resignation of President Ayaz Muttalibov. The Azerbaijan Popular Front demanded Muttalibov's resignation for his government's ineptitude to defend Azeri civilians from massacres and failing to form a national army. Ensuing demonstrations led to the forced resignation of Muttalibov on March 5, 1992 after interior ministry troops disobeyed his orders to disperse the crowd. A transitional government was formed with the participation of APF and elections were scheduled for June 5. On May 5, Azerbaijan refused to sign the Tashkent Treaty for the collective security and suspended its participation in the CIS.⁶³ In a striking coincidence, Armenians launched an offensive on May 8 and after two days captured Susha. The city was a strategically located Azeri stronghold with a predominantly Azeri population and the traditional capital of Karabagh. Fall of Susha was an emotional shock for Azeris, as the place was regarded as the center of Azeri culture and identity. It was the cradle of poets and composers and more importantly, it was the last Azeri stronghold left in Karabagh.

Political turmoil after the fall of Susha in Azerbaijan resulted in a political power struggle between the APF and Muttalibov supporters. The government changed hands two times between May 14 and 15 in which the APF prevailed eventually. Using the political turmoil in Azerbaijan, Armenians diverted their attacks toward the Lachin Corridor, a strip of land separating Karabagh from Armenia. They captured it on May 18, 1992, creating a land corridor between Karabagh and Armenia. By the end of May, Armenians had routed the Azeris, captured all of Karabagh, and cleared the region of its Azeri population in a dazzling success. Simultaneous Armenian attacks on Nakhcivan, a small Azeri province on the Turkish border, created serious concerns in Turkey and Iran. Turkey made known its discontent and did not rule out an armed intervention if Armenians tried to invade Nakhcivan on which Turkey claimed to have a guarantor

Armenian Unit, Russian is spoken." *The Boston Globe*, 16 March 1992, quoted from Cornell, Nagorno Karabagh Conflict, p. 30. Goltz also mentions about the interrogation of ethnic Turkmen deserters from the 366th Regiment witnessing the participation of the whole units of the regiment including the ethnic Russian officers and conscripts participating in the massacre of the civilians in his article Goltz, Thomas, *Azerbaijan Diary: A Rouge Reporter's Adventures in an Oil-Rich, War-Torn, Post-Soviet Republic*, p. 124 and also Goldenberg, *Pride of Small Nations*, p. 167

⁶³ Baev, Pavel "Russia's Policies in the Caucasus" The Royal Institute of International Affairs, 1997

status. Russia was recovering from its early non-interventionist attitude toward the Caucasus in the meantime and was adopting a more active position on the conflict.

Ebulfez Elchibey, a pro-Turkish politician and the leader of the Azerbaijan Popular Front, was elected the President of Azerbaijan on June 5, 1992. After the elections, Azeris launched an attack to liberate the lands lost to Armenians on June 12th. Large-scale Azeri offensives concentrated on the Geranboy-shaumian region of Azerbaijan and the Agdere-mardakert province in Nagorno Karabagh. Azeri forces were using their newly acquired military equipment received after the division of the Soviet military arsenal under the treaty of Tashkent in May 1992. They gained initial success as they recaptured almost 80 percent of the Agdere province. Another Azeri offensive brought them within 10 km of Stepanakert, the Karabagh Armenian Capital. While Azeris aimed to recapture Susha and the Lachin Corridor in September, they were eventually repelled in October and the Karabagh Armenian position stabilized. On September 19, 1992, Armenia and Azerbaijan agreed on a cease-fire with the participation of Pavel Grachev, the Russian Defense Minister. In October 1992, the Azerbaijan Parliament voted in favor of leaving the CIS as President Elchibey reoriented Azerbaijan away from Russia and toward Turkey in an effort to reverse the policies of his rival, Muttalibov.

On February 5, 1993, the Armenians launched an attack to regain the territories lost to Azerbaijan after Azerbaijan's June 1992 offensive, and they literally routed the Azerbaijanis. After their successes in recapturing Agdere-mardakert, Armenians turned to the west on April 3 and occupied Kelbajar, an Azeri city outside the Karabagh. Thus they managed to open another corridor linking Karabagh with Armenia other than the Lachin corridor. The fall of Kelbajar created a big refugee problem as the Azeri civilians were trapped between the advancing Armenian forces. As Azerbaijan lacked enough air transportation, efforts to evacuate all of the 62,000 people in the region failed. Despite President Elchibey's requests, Turkey refused to send in its helicopters, probably for fear of alarming its Western Allies or of over committing. Fearful of an end similar to that in Khocali, the Azeri inhabitants tried to flee using the snow-covered mountain passes around the city. Meanwhile, the Armenian forces continued their offensive by attacking Fizuli, another big Azeri city outside the Karabagh on April 4.

The Armenian attacks against the Azeri populated areas outside the Karabagh turned the Turkish public opinion sharply against Armenia. Public outrage created by the predicament of the Azeri civilians forced the Turkish Government to act. Although reluctant, the Turkish government tried to exonerate itself against the increasing criticism of all of the nation's opposing political parties. As a first step to this end, on April 3, 1993, Turkey closed its border to Armenia and participated in an embargo which was previously initiated by Azerbaijan. In conjunction with the embargo and in an attempt to intimidate the Armenians into stopping their offensive outside the Karabagh, Turkey massed troops on the Armenian border and the risk for an expanding conflict increased. Turkish President, Turgut Ozal, following a solidarity tour of Turkic countries of the former Soviet Union, declared in Baku on April 14, 1993, three days before his death that:

In Armenia, some circles wish to test the patience of the Turkic Peoples. They are making a terrible mistake.⁶⁴

Ozal also said that Russian transport planes increased their flights to Yerevan substantially before and after the Armenian aggression on Kelbajar, and that he doubted that they were carrying just humanitarian aid.⁶⁵ Russia made it known that a possible Turkish intervention would trigger a World War and there were nuclear threats against Turkey. The U.N Security Council passed a resolution (# 822) on April 30, condemning the violence and calling for a cease-fire without naming any aggressors. In the same resolution, the U.N designated the CSCE as the primary forum to seek an agreement on the conflict. In the same month, the parties to the war adopted a Turkish-US and Russian sponsored peace plan.

Shortly after the peace plan, political instability ensued in Baku. A local commander, Suret Huseinov, who the APF government dismissed, refused to leave his post and instead started a standoff with the government from his power base in Ganja. He was accused of pulling his troops out of the front in the face of the Armenian attacks on

⁶⁴ "Azerbaijan: Armenia Seize Territory in West, South," April 22, 1993, Facts Online News Services, facts.com, www.2facts.com/stories/index/1993053366.asp

⁶⁵ " Turkey Claims Russian Involvement" April 22, 1993, Facts Online News Services, facts.com, www.2facts.com/stories/index/1993053366.asp

Agdere-mardakert in February 1993. He had declined to return to the front despite several requests. Huseinov reportedly had close contacts with the Russian troop, 104th Airborne Russian Regiment, deployed in Ganja and appropriated a considerable amount of the regiment's weaponry when it withdrew on May 28, 1993. On June 4th, a clash occurred between Huseinov supporters and the government troops over the possession of weapons left by the withdrawing Russian unit, which left ten people dead. Husseinov prevailed and started a march on the capital, Baku, demanding the resignation of the government. Allegedly, Russia supported Husseinov to topple the pro-Turkish Elchibey government. The timing of the coup reinforces this perception as it coincided with an oil agreement to be signed by western oil companies and the Azerbaijan government in June 1993. The agreement would include the development of three Azeri oil fields in the Caspian Sea bed and a pipeline to carry the oil to the Turkish Mediterranean port of Ceyhan. Russia was being excluded in both projects.

On June 11, The Azerbaijan Parliament offered amnesty to the rebels in return for ending their march on the capital, which Huseyinov refused. On his way to Baku, Huseinov fired Popular Front members from government posts and replaced them with former communists in towns and cities he stopped by. In an effort to placate the Huseinov, Heydar Aliyev, a former KGB general and Politburo member, was brought in from his native Nakhcivan province and chosen as the speaker of the Azerbaijan Parliament. Aliyev had refused to accept the post of Prime Minister in an attempt to make way for his own presidency after the shaky Elchibey. Huseinov continued his march unopposed. Elchibey left his post in Baku on June 17 and left for his hometown in Nakhcivan.

The new speaker of the Azerbaijan Parliament, Heydar Aliyev, took over the functions of the President and assigned the rebel leader Huseinov as the prime minister.⁶⁶ Aliyev distanced himself from the policies of the Elchibey government as he dismissed Turkish military advisors, postponed the signing of the oil deal in June, and announced his intention to bring Azerbaijan back to CIS in September. In the meantime, with the Political disorder in Baku, Armenians attempted to capitalize on the situation by

⁶⁶ The same but this time a more confident and powerful Heydar Aliyev dismissed Huseinov on October 6, 1993, on charges of plotting a coup against the Azerbaijan government. Huseinov eventually escaped to Russia, only to be extradited back to Azerbaijan in 1997.

scraping the tripartite peace plan of Russia, Turkey and the US. Seeing a golden opportunity in this political turmoil in Azerbaijan, they attacked Agdam, another Azeri city outside the Karabagh, on July 12 and captured it on 23 July. On the same day, Armenians attacked the Azeri cities of Jebrail and Fuzuli on the Iranian border and to the south of Agdam. The U.N Security council adopted another resolution (#853) condemning the violence but not its perpetrators on July 29, 1993. Armenian forces captured the besieged cities of Jebrail and Fizuli in August (20 and 24), while driving local Azeri population, amounting to a quarter million, from their homes. Wedged by closing Armenian troops with the exception of a narrow escape route to Eastern Azerbaijan in Goradiz, a considerable amount of Azeri refugees crossed the Aras River into Iran to escape from their bleak prospects. This refugee flow caused serious concerns in Iran, which set up refugee camps to accommodate the flood of refugees on August 27th.

When the Armenian forces turned their assaults on Goradiz and Kubatli, the last passage for the refugees out of the Armenian circle into Azerbaijan, Iran dispatched troops on September 2 into Azerbaijan, securing a buffer zone for the refugees. In anticipation of additional refugees amounting to hundreds of thousands, Iran prevented the refugees from crossing into Northern Iran, which was populated by an ethnic Azeri majority. The Iranian incursion into Azerbaijan drew criticism from Russia. Another U.N Security Council resolution (#874), on October 14, 1993, cautioned all-regional states from interference or intervention, which would spread the violence in the region. Armenians captured Goradiz on October 25. They attacked and captured Zangilan, the last remaining Azeri town south of Agdam to the Iranian border, thus driving 60,000 more civilians into Iran on October 28.

As an evaluation of its performance by the end of 1993, the Azerbaijan Army was badly routed, had to leave its civilian population at the mercy of Armenian forces and on most occasions had outright escaped the front. Aliyev tried to bring some order into the Army by taking steps to prevent or at least decrease desertion from the ranks. Desertion was a serious problem in the Azerbaijan Army. The desertion rates decreased with an initial pardon allowing them to return to their units and then by draconian measures to deter it. According to some claims, Aliyev further reaped the benefits of distancing

Azerbaijan from the Pro-Turkish Elchibey policies by bringing Azerbaijan back to the CIS and improving relations with Russia. Azerbaijan allegedly acquired Russian weaponry although the credibility of the claims is unknown. Aliyev also reportedly regulated the subordination issue in the Azeri Army, as the previous Azeri operations had suffered from a lack of coordination between the different units. He also brought back the Turkish military advisors, whom he had fired, and acquired additional ones from Russia, together with mercenaries from Afghanistan and the CIS states.

As a result, Azeris initiated a counter attack to regain their lost territories on December 10, 1993 with initial successes. Azeri forces recaptured Goradiz and surrounding villages on January 12, 1994. The Azeri attacks halted in February 1994 with the worsening winter conditions and the intervention of the regular Armenian Republic troops that were dispatched to aid the Karabagh Armenian forces. On February 18, 1994, Russian Defense Minister Grachev presented a plan for a cease-fire, disengagement and withdrawal, including a leading Russian military role. In this proposal, a summit of Russian, Armenian, and Azeri Presidents would decide the Karabakh's status, with Karabakh participating. However, the Azeri parliament initially rejected a revised version of this plan.

After some more minor clashes, belligerent parties agreed on a cease-fire in Bishkek on May 12, 1994 under the supervision of Russia. Today, skirmishes still flare up in border areas between Azeri and Armenian troops with a possibility of full-fledged hostilities resuming.⁶⁷ In summary, the Armenians managed to capture Karabagh and a buffer zone surrounding it which make up 20 percent of Azeri territory, displaced the Azeri population from Karabagh and other occupied territories of Azerbaijan and managed to change the internationally recognized borders of a state in their favor without a tangible retribution other than Azerbaijan and Turkey's embargo.

⁶⁷ From the May 1994 cease fire until early 1999, 1,600 people were killed in the skirmishes between the Armenians and Azeris on the border areas, as quoted by Cornel, Svante "The Nagorno Karabagh Conflict," p. 39

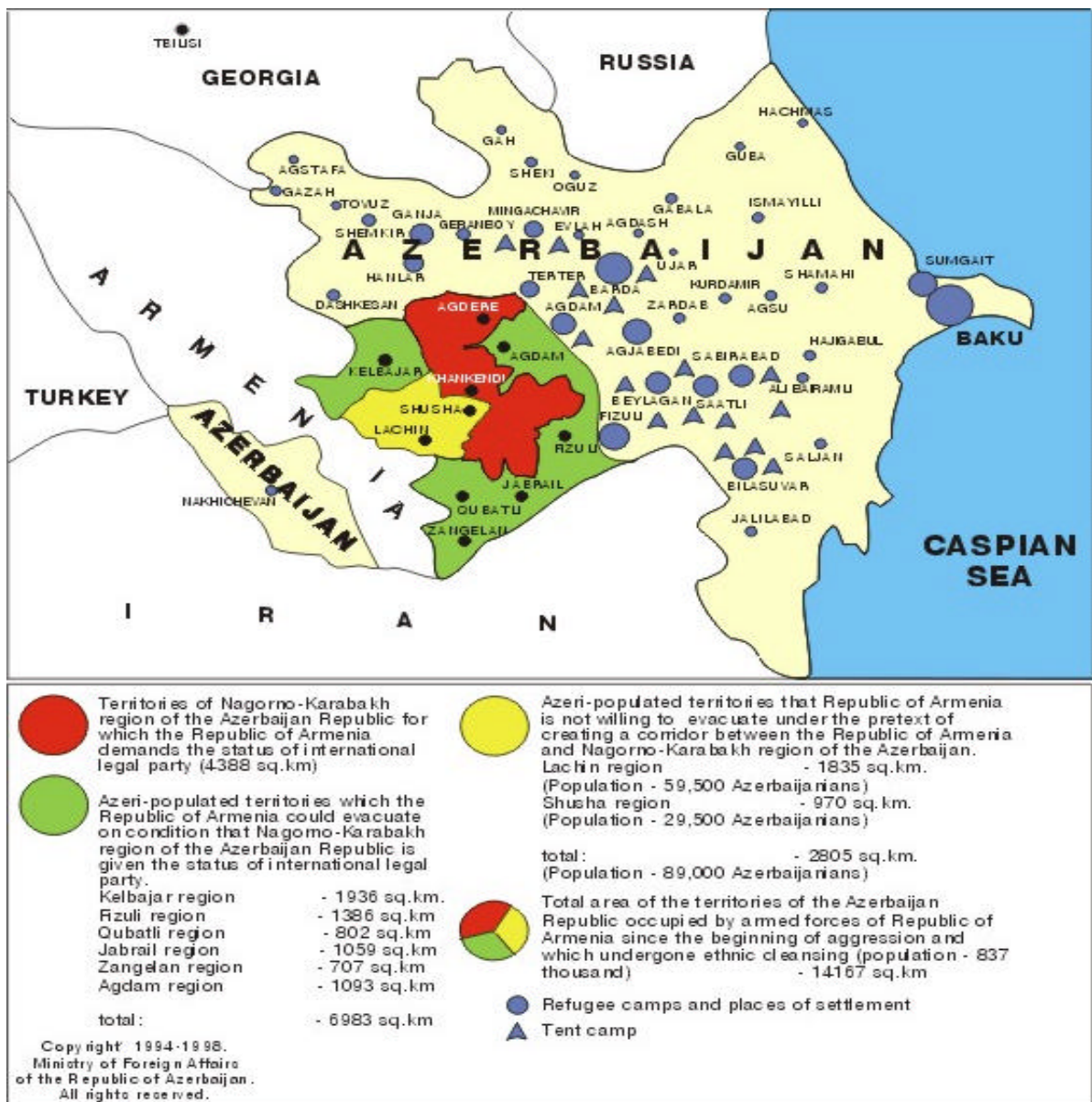


Figure 1. Occupied Azerbaijani Territories

D. MEDIATION PROCESS IN THE CONFLICT (1994-)

The main international organization resolving the Karabagh conflict is the Organization for Security and Cooperation in Europe (OSCE). OSCE's role in Karabagh started after the former Soviet republics entered the organization in January 1992 and the Minsk Group was created in March 1992. The Minsk Group includes Belarus, France, Finland, Germany, Hungary, Italy, Russia, Sweden, Switzerland, Turkey, and the United States.⁶⁸ The U.N Security Council also designated the OSCE (then CSCE) as the primary forum to seek an agreement on the conflict on April 30, 1993. As a result, the organization became the primary mediator between the conflicting sides.

Despite the best of intentions, the OSCE initially lacked the means and the expertise to end the conflict. At the same time, Russia tried imposing its will in areas that it claimed were its sphere of influence. As a result, despite its initial willingness to cooperate with the OSCE in the South Caucasus, Russia chose to act independently. Organizing its own meetings with the parties to the conflict, Russia proposed its own cease-fires and acted independently of the OSCE efforts. Russian Defense Minister Pavel Grachev, for example, presented a plan in May 1994, consisting of a cease-fire, disengagement, and a CIS separation force. This force would consist of 1,800 troops, primarily Russians, under the command of the Russian First Deputy Defense Minister. The plan was designed to exclude the OSCE, as there was no representative from the organization.

Although agreeing to a cease-fire to take effect on May 12, Azerbaijan refused to allow the CIS (Russian) troops on its territory, because the Azeris believed that Russia was becoming increasingly Pro-Armenian. Russia tried to bully Azerbaijan into yielding to its demands to station troops in the Azeri territory. The Azeri leadership rebuffed the proposition while improving relations with Turkey and trying to mobilize the International Community for an International Peacekeeping force to replace the Russian offer.

⁶⁸The Minsk Group was initially considered as an emergency group to prepare for the Minsk Conference, which would provide an ongoing forum for the negotiations toward a settlement in the Karabagh conflict based on the commitments, principles and provisions of the OSCE (Then the CSCE). The Minsk Conference would have convened only after a political settlement between the warring parties was signed.

In June of 1994, the Minsk Group Chairman suggested a unified OSCE-Russian approach instead of unilateral attempts. This approach would prevent the parties from trying to play one side against another. Azerbaijan insisted that no country should provide more than 30 percent of the peacekeepers. Armenia, on the other hand, was adamant that there should be no Turkish contingents. The United States also entered the process to ensure an international force instead of a predominantly Russian one. The unilateralist Russian approach frustrated the U.S ambassador to the CSCE. He said:

Their bad faith became increasingly obvious ... It was clear that it was their deliberate intention not to cooperate, thus to ensure that their own proposal would be understood by the parties to be the only game in town, and ultimately to supplant the International negotiation process.⁶⁹

The Minsk Group meeting in Vienna criticized the Russian efforts as unilateral and as excluding the OSCE, which led the Russians to boycott the remainder of the meeting. The OSCE participating states categorically rejected another Russian proposal to have the OSCE grant a mandate and to pay for the Russian/CIS peacekeeping operation in Karabagh.⁷⁰ An impasse appeared in the peace-making process, as each side tried to capitalize on it. As compromise in December 1994, Russia was named co chair of the Minsk Group at the Budapest Summit, with France and the United States.

Despite this newly formed understanding between the OSCE and Russia, little tangible progress was achieved. The two opposing states had widely different irreconcilable objectives. Both sides were also reluctant to compromise due to domestic opposition at home. Each side believed that time was on its side. The main obstacles to a solution were the status and security of Nagorno-Karabagh; the status of Susha and Lachin; and the return of the refugees. The Karabagh Armenian leadership was especially intransigent on these issues, sometimes to the extent of directly contradicting Armenia itself. Throughout 1995, Armenia insisted on a phased approach to the problem, although the Karabagh Armenians refused such an approach. The Karabagh leadership favored a package deal to decide on the crucial questions. Karabagh's status, refugees, and the status of Lachin and Susha were to be agreed upon before the occupied territories were

⁶⁹ Laitin David, Grigory Roland "Armenia and Azerbaijan: Thinking a Way Out of Karabagh" *Middle East Policy*, Washington, October 1999

⁷⁰ Mihalka Michael "A Marriage of Convenience: The OSCE and Russia in Nagorno-Karabagh and Chechnya" *Helsinki Monitor*, Quarterly on Security and Cooperation in Europe" Vol. 7, No. 2, p. 15

returned to Azerbaijan. Azerbaijan, instead, preferred a phased solution, which would ensure the return of refugees to their homes before the negotiations for Karabagh's final status started.

Talks about the final status of Nagorno-Karabagh, held in Stockholm, ended in failure in June 1996. A new series of talks were held in Finland with another eventual failure. The aim of the talks was to reach an agreement or a common understanding before the Lisbon Summit of the OSCE. The Lisbon Summit, held in December 1994, was a success for Azeri diplomacy. The Karabagh conflict took the center stage during the Summit in Lisbon. The Lisbon Summit Declaration contained a paragraph supporting the Azerbaijani position on the issue. Due to the Armenian protests, the paragraph did not form a part of the final, binding document. It was, although, included as Annex 1 of the declaration of the OSCE Chairman in Office, Swiss Foreign Minister, Flavio Cotti. The statement of the OSCE Chairman in Office was a very strong endorsement of Azerbaijan's position.⁷¹ The Armenian delegation protested the statement, and contended that it was predetermining the outcome of the negotiations to be held between the Armenians and the Azeris.⁷²

The nine member states of the Minsk Group (Germany, France, Turkey, the U.S, Russia, Belarus, Finland, Sweden and Italy) supported the three principles advocated in the paragraph. These principles were the territorial integrity of the republics of Armenia and Azerbaijan; The legal status of Nagorno-Karabagh with the highest degree of self-rule within Azerbaijan; guaranteed security for Nagorno-Karabagh and its whole population, including the mutual obligations to ensure compliance by all parties with the provisions of the settlement. Armenians, however, claimed that insistence on Nagorno-Karabagh staying within Azerbaijan was contrary to the spirit and aims of the Minsk Process. The status of Karabagh had to be negotiated and decided at the Minsk Conference, not before it. In the Armenian view, such demands also precluded the "guaranteed security" for the population of Karabagh.

⁷¹ Organization for Security and Co-operation in Europe 1996 Summit Lisbon 2-3 December 1996 Lisbon Document Annex 1.

⁷² Organization for Security and Co-operation in Europe 1996 Summit Lisbon 2-3 December 1996 Annex II. Delegation of Armenia's statements.

After the Summit, Armenia appeared isolated and uncompromising before the International Community. In May 1997, the Minsk Group issued a new set of proposals offering new terms. These terms included a return of territories outside the Karabagh, together with Susha within Karabagh, back to Azerbaijan. Refugees would return to their homes. In return, Azerbaijan would accept a Karabagh constitution, a temporary defense force under the supervision of the OSCE, a humanitarian corridor connecting Karabagh to Armenia, special tariff and trade treatments. The final status of Karabagh would be negotiated afterward. The Karabagh leadership dismissed the plan as being unrealistic.⁷³ While Azerbaijan preferred more cooperation with the West, Armenia chose to increase its relations with Russia. Armenia concluded a military agreement with Russia, granting Russian military bases in its territory.

Meanwhile, the Azeri government concluded oil agreements with western oil companies to develop and to transport oil. Fearing a change in the current balance favoring Armenia, Armenia's relatively moderate President, Levon Ter-Petrossian, declared in October 1997 that any future struggle for an independent Karabagh would be impossible. He admitted that the conflict needed to be settled according to the plan proposed by the OSCE Minsk Group. As a result, Ter-Petrossian agreed to a two-stage OSCE plan on Karabagh. Accordingly, the Karabagh Armenian forces would withdraw from the occupied territories surrounding the Karabagh. These areas would be demilitarized and the refugees would return to their homes under the monitoring of a 2,000 strong UN force. Karabagh would continue to exist in its current form. Karabagh's future status and security, and the status of Lachin and Susha would be dealt with in the second stage. The Azeri refugees would not return to these two places until their status could be agreed upon. The final status of Karabagh would not be implemented until each side agreed and Karabagh would have a veto power on any status agreement. The Azeri Blockade and the Turkish embargo against Armenia and Karabagh would end. Normalization of relations in the region would ensue.

Azerbaijan welcomed the decision. Nevertheless, the plan could not be implemented. The Karabagh Armenians categorically refused the plan and the plan itself

⁷³ Giragosian, Richard, "The Organization for Security and Cooperation in Europe (OSCE) and the Nagorno Karabagh Conflict: A Compilation of Analyses," Washington, July 2000

created a backlash among hardliners in Armenia. In September 1997, the Armenian President addressed his nation in a press conference, reiterating his opinion on the Karabagh issue. He declared that Azerbaijan had agreed to the draft plan foreseen by OSCE and that Armenia would respond likewise. His statement caused an outrage in Karabagh and among Armenia's hardliners. President Ter-Petrosian was accused of selling out Karabagh Armenians. He lost support of the so-called power ministries in the government. After a standoff with the opposition, Petrossain was forced to resign in February 1998. Karabagh separatist leader, Robert Kocharian, who was also the current prime minister of Armenia, took over. The Kocharian government announced the refusal of the Minsk Group's phased plan, and instead proposed a package plan to resolve all the issues beforehand. He also ruled out any agreement that would subordinate Karabagh to Azerbaijan. The OSCE found itself in a dilemma, as Michael Och remarks:

The refusal by Armenia and Nagorno-Karabagh to consider the earlier plan has brought about wholesale changes in the OSCE's mediation, leading to the conclusion that stubbornness yields dividends. If Baku draws this inference and sticks to its position, the Minsk Group will either have to devise a new compromise plan somewhere between the two already proffered or face growing irrelevance. All the contenders in Azerbaijan's October 11 presidential elections, except for Heydar Aliyev, voiced doubts about OSCE's ability to resolve the conflict, with some calling for UN Security Council involvement (given UN Security Council record in conflict resolution, writer contends that this pleas for its involvement may be caused by desperation rather than reasoning).⁷⁴

Seeing the intransigence of the new Armenian leadership, the Minsk Group offered another plan in which Karabagh and Azerbaijan would form a common state. Two self-governing entities of seven million Azerbaijan and 150,000 Karabagh would coexist under a symbolic structure. The common state between Serbia and Montenegro under the name of Yugoslavia was the example. Azerbaijan feared that such a compromise would lead to the same kind of demands by its Lezgin and Talish minorities. This would turn Azerbaijan into a loose federation, prone to foreign manipulation in Azerbaijani internal affairs.⁷⁵ Azerbaijan declared the plan a non-starter in November

⁷⁴ Ochs, Michael, "The Current Situation In Nagorno-Karabagh," *CSCE Digest*, April 1998, Vol. 21, No. 4

⁷⁵ Swietochowski, Tadeusz, "Azerbaijan: Perspectives from the Crossroads," *Central Asian Survey*, Vol. 18 No. 4, December 1999

1998 and consequently the Minsk Group abandoned it. The Kocharian government declared three principles upon which they would not compromise. These were

- No subordination of Karabagh to Azerbaijan;
- A Self-declared Karabagh Republic should not exist as an enclave within Azerbaijan;
- Karabagh should determine its own degree of safety and guarantees.

Karabagh Armenians insisted on the retaining armed forces, finance and state structure independent from Azerbaijan, and having Armenia as a guarantor state in case of a political agreement. Kocharian declared in April 1998 that Azerbaijan had to accept beforehand that Karabagh could not possibly return to Azerbaijan rule. In June 1998, Armenian foreign minister Vartan Oskanian stated that Armenia might take unilateral action and annex Karabagh to break the Azeri intransigence,⁷⁶ but backed down following a harsh reaction from the U.S State Department and the Minsk Group.⁷⁷ Oskanyan also stated that Armenia would never accept Lisbon Summit principles.⁷⁸ On the other side, Azeri President Aliyev reiterated that Azerbaijan would never give Karabagh independence, but it was ready to afford any degree of self-government, except an army and external political bodies.

Despite the deadlock, the Presidents of the respective countries, President Aliyev and Kocharian have met occasionally to discuss the Karabagh issue under the supervision of the Minsk Group co-chairs since April 28, 1998.⁷⁹ The two Presidents met four times in 1999. While there were rumors of improvement in the relations, gunmen raided the Armenian Parliament in September, killed the Armenian Prime minister, the speaker of the parliament, and six other government officials. On November 5, the Armenian Foreign Minister Oskanian noted that the assassinations had produced a “slowdown in the

⁷⁶ Haxton, Michael and Lyubov Mincheva, “Armenians in Azerbaijan” (www.bsos.umd.edu/cidcm/mar/azearmen.htm) p. 24

⁷⁷ Laitin David, Grigory Roland, “Armenia and Azerbaijan: Thinking a Way Out of Karabagh” *Middle East Policy*, Washington, October 1999

⁷⁸ Haxton, Michael and Lyubov Mincheva “Armenians in Azerbaijan” (www.bsos.umd.edu/cidcm/mar/azearmen.htm)

⁷⁹ Jane’s Online “External Affairs, Armenia” February 7, 2000

resolution of the conflict.”⁸⁰ As a result, meetings were suspended only to resume in January 2000.⁸¹ The two presidents met again in Key West, Florida in April of 2001 in a five-day conference where it was rumored that they were close to an agreement.⁸² However, talks ended without a result as the two Presidents were reluctant to compromise on certain issues. They were probably wary of the political implications of a compromise in domestic politics.⁸³ The Armenian President must have been especially wary of Armenian hardliners who had toppled his predecessor for his conciliatory attitude towards the conflict.⁸⁴ The outcome of these talks will determine the future of the conflict and the region with implications about the viability of the OSCE in resolving security issues in Europe.

⁸⁰ Carol Migdalovitz, “Armenia-Azerbaijan Conflict” CRS Issue Brief for Congress, received through the CRS Web, June 7, 2001, www.fas.org/man/crs/IB92109.pdf, p. 10

⁸¹ Giragosian, Richard, “The OSCE and the Nagorno Karabagh Conflict: A Compilation of Analyses,” Washington, July 2000, OSCE Web Page

⁸² *The Economist*, “Europe: Crossroads in Karabagh?” London, April 21, 2001 (Vol. 359, Issue. 8218, pp. 46-47)

⁸³ *Turkish Daily News*, “Azeri Leader Says Chances Dim for Karabagh Summit,” June 3, 2001

⁸⁴ *The New York Times*, “Casualties Mount in the Long Battle of Armenia and Azerbaijan,” May 27, 2001

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IV. ARMENIA

Armenia is a small country, covering an area of 29,800 square km, with a population of approximately 3.6 million people. It borders Azerbaijan on the east, Georgia on the north, Iran on the south, the Nakhcivan province of Azerbaijan on the southwest, and Turkey on the west. Armenia announced its independence on September 21, 1991 and engaged in an armed conflict with neighboring Azerbaijan, capturing Karabagh and the surrounding Azerbaijani territories. The war resulted in a ceasefire, which is still in effect despite occasional skirmishes that claim almost four hundred dead annually.⁸⁵ Armenia is seemingly content with the status quo. It achieved more than it had anticipated by occupying 20 percent of Azerbaijani territory outside the Karabagh, including the strategic Lachin corridor. This area was populated by Azeris and Kurds and separated Karabagh from Armenia. Armenians ethnically cleansed the Karabagh and the adjoining territories. They evicted almost one million Azeri refugees to secure an Azeri province populated by roughly one hundred and fifty thousand Armenians. Armenia itself is an ethnically homogenous country, owing to efforts of Armenian revolutionaries since the beginning of the century, and its population shares a strong ethnic cohesion. The possibility of domestic turmoil is much lower compared to Azerbaijan, although assassinations of important political figures have been widespread in Armenia.

The Armenian attitude to Azerbaijan and to resolving the Karabagh conflict will determine the relations and the stability in the region. Although Armenians occupied Azerbaijani territory and evicted Azeri refugees, they managed to portray themselves as victims in the conflict, owing to the fact that Armenia enjoys broad sympathy abroad. As Svante Cornell puts it:

Nevertheless the Armenians managed to de facto alter internationally recognized borders by force, without even receiving a direct condemnation by any major power or organization except Turkey and to a lesser extent Iran. Neither was any international sanctions even discussed. In this sense, The Armenian campaign was a clear-cut success.⁸⁶

⁸⁵ Laska, Vera, review of "Azerbaijan Diary: A Rouge Reporters Adventures in an Oil-rich, War-torn Post-Soviet Republic by Thomas Goltz," *International Journal on World Peace*, Vol. 15, Issue. 2, June 1998, New York

⁸⁶ Cornell, Svante "The Nagorno Karabagh Conflict," Working Paper, Department of East European Studies, UPPSALA, Sweden, 1999, p. 40

Armenia was not even explicitly mentioned as the aggressor in U.N resolutions, which condemned the violence, virtually, out of custom. Armenia's success mostly lies in the capable hands of the Armenian Diaspora, which excelled in effective lobbying and promoting the Armenian cause. An estimated 60 percent of the total eight million Armenians worldwide live outside the country, with one million each in the U.S. and Russia. The Armenian communities in the United States are especially well-organized and funded lobbies, ranking among the most influential ethnic lobbies on Capitol Hill. In addition, significant Armenian communities live in Georgia, France, Iran, Lebanon, Syria, Argentina, and Canada. As a result, Armenians enjoy rather favorable relations with a couple of influential states, compared to its adversary, Azerbaijan.



Figure 2. Republic of Armenia

A. ARMENIAN- RUSSIAN RELATIONS

Armenian-Russian relations have traditionally been and still are very cordial. For at least two centuries, Russians assumed the role of the protector of the Armenians. This self-appointed role afforded the Russian empire with the pretexts it needed to carve up the territory of the Ottoman Empire during its waning years. This close cooperation between the Russia and the Armenians was evidenced by a common hostility against the Ottoman Turks since the 18th century. Armenia signed a friendship, cooperation, and mutual assistance agreement with Russia on August 29, 1997 against any third party aggression. Both sides characterized this agreement as a strategic partnership and Armenian President Ter Petrossian said that it provided “elements of an alliance.” In addition, Russians have military bases in Armenia and they control Armenian-Turkish and Armenian-Iranian borders.

Russia allegedly supplied Armenia with a billion dollars worth of military equipment including 84 T-72 tanks, 32 Scud-B missiles with 8 launchers, 1,000 hand-fired anti-aircraft missiles free of charge⁸⁷ between 1994-96.⁸⁸ This transfer was in violation of the CFE treaty.⁸⁹ Shortly after Armenia participated in a CIS air defense system on April 15, 1999,⁹⁰ Russia declared its intention to deploy S-300 anti aircraft missiles in Armenia⁹¹ and installed them in September of 2001.⁹² Deployment of these missiles in Cyprus had caused serious problems between Southern Cyprus and Turkey in the past, and Turkey had threatened to destroy these missiles if the Cypriots deployed

⁸⁷ *Jane's Intelligence Review*, May 1998, p. 20; Nuriyev, Elkan, “The Ongoing Geopolitical Game in the Caucasus and the Caspian Basin” (cns.miis.edu/cres/nuriyev.htm); Walker, Edward W, “No Peace, No War in the Caucasus,” (www.cc.columbia.edu/sec/dlc/ciao/wps/wae01/wae01.html); Croissant, Michael *The Armenia-Azerbaijan Conflict* p. 120; Herzig, Edmund, *The New Caucasus*, The Royal Institute of Int. Affairs, 1999, p. 67

⁸⁸ Edgar Walker quotes the Azerbaijan Foreign Minister Hasan Hasanov, who said in September 1997 that the SCUD missiles, which the Russians had provided to Armenia, were capable of carrying nuclear warheads. He also asserted that Armenia might use nuclear material from its Medzamor nuclear power station on the Turkish border to build a nuclear warhead. Evaluating the credibility of the claim is left to the reader. (Walker, Edgar W, “No Peace, No War in the Caucasus: Secessionist Conflicts in Chechnya, Abkhazia, and Nagorno Karabagh,” February 1998, Columbia International Affairs Online, www.cc.Columbia.edu/sec/dlc/ciao/wps/wae01/wae01.html.)

⁸⁹ Naumkin, Vitaly, “Russia and Transcaucasia,” *Caucasian Regional Studies*, Vol. 3, Issue. 1, 1998

⁹⁰ Jane's Defense Online, “External Affairs/Armenia,” March 28, 2001

⁹¹ Thomas, Timothy and Shull, John “Russian National Interests and the Caspian Sea,” (www.mfa.gov.tr/grupa/percept/IV-4/thomas_schull.htm) and Kotaman, Yunus, “Thesis, Naval Postgraduate School, June 1999: U.S Policy Interests In The Transcaucasus Since 1991” p. 25

⁹² *Turkish Daily News*, “S-300's in Armenia to be Ready by September 1,” June 11, 2001

them. The Commander-in-Chief of the Russian Air Force said that the S-300s were needed to protect Armenia and the CIS from Turkey and NATO. Later, the Russian Defense Minister reiterated that Russian-Armenian military cooperation is not directed against a third party.⁹³ Armenian and Russian militaries also conduct joint training exercises.⁹⁴

Armenian-Russian relations were not very close until 1992. The Armenian defiance of Soviet authorities on the status of Nagorno Karabagh during the dissolution of the Soviet Union irritated the relations. As a challenge to Gorbachev's efforts to keep the Soviets together, Armenia had declared its firm intent to seek independence from the Union. Unlike Azerbaijan, Armenia had also refused to participate in the "all-Union" referendum in March of 1991. Armenia's main motive was the fear that the new Union Treaty to be adopted after the referendum would confirm the sovereignty rights of Azerbaijan over Karabagh. Armenian opposition to the Soviet Union's continuation led the Soviets to side with Azerbaijan until the Union dissolved. This Soviet-Azeri cooperation was evident in "Operation Ring," conducted jointly by Soviet and Azeri troops against Armenian militants in Karabagh.

However, this strained relations between the Russians and the Armenians changed shortly after the dissolution. As Azerbaijan took a more independent approach and started to lean to Turkey, Armenia's reluctant nemesis, in orientation, Armenia chose a closer relationship with its traditional ally, Russia. As it began to appear clearly that Turkey would side with the Azeris in the conflict and that a possible rapprochement was unlikely, Armenians aligned themselves with Russia and adopted a very pro-Russian foreign policy.

The Russian alliance brought invaluable benefits to Armenia, apart from the flow of weapons. During the intensity of Armenian attacks on Azeri cities, Armenians avoided an international U.N embargo thanks to the Russian membership in the Security Council.⁹⁵ Russia is Armenia's biggest trading partner despite the fact that these two

⁹³ Carol Migdalovitz, "Armenia-Azerbaijan Conflict" CRS Issue Brief for Congress, received through the CRS Web, June 7 2001, www.fas.org/man/crs/IB92109.pdf, p.16

⁹⁴ *Turkish Daily News*, "Russian and Armenian Joint Military Move Raises Eyebrows in Ankara," May 5, 2001

⁹⁵ De Pauw, Freddy "Turkey's Policies in Transcaucasia" from Bruno Coppieters (ed.) *Contested Borders in the Caucasus*, ISBN 90 5487 1172 NUGI 654 D/ 1996 / 1885 / 005, p. 183

states do not share a common border. Armenia alleviates the effect of the Azeri-Turkish embargo through supplies of agricultural goods, raw materials and energy brought in from Russia and Iran. One indirect benefit for Armenians of the Russian close cooperation was the destabilizing role Russia played in Azerbaijan's internal affairs. The Suret Huseyinov coup, as explained in detail in the third chapter, was considered a Russian-engineered or at least a Russian-encouraged move intended to topple the Elchibey government, which Russians perceived to be working against their interests. Armenia used the political instability and disorder engendered by this coup attempt and consolidated its gains by capturing additional Azeri territories. The most significant of all the benefits was the tangible Russian security guarantees against Armenia's neighbors. Apart from the Russian military bases and air defense systems, security guarantees make an intervention against Armenia highly unlikely. The Treaty on Collective Security signed between Kazakhstan, Russia, Kyrgyzstan, Tajikistan, Uzbekistan, and Armenia in Tashkent on May 15, 1992, forms the basis of the security guarantee to Armenia. It states that:

If one of the participating states is subjected to aggression by any state or group of states, this will be received as an aggression against all participating states to the treaty. In the event of an act of aggression being committed against any of the participating states, all the other participating states will give it the necessary assistance, including military assistance, and also will give support with the means at their disposal by way of exercising the right to collective defense in accordance with Article 51 of the UN charter.⁹⁶

This commitment was tested when in April of 1993, after Armenian forces captured Kelbajar outside the Karabagh and attacked the Fizuli, another large Azeri city. Turkey massed troops on the Armenian border and some prominent political figures, including the late President Turgut Ozal, articulated the possibility of Turkey's intervention in the conflict to stop Armenian aggression:

To prevent any potential Turkish opportunism, Marshal Shaposhnikov, then Commander-in-Chief of the Joint Armed Forces of the CIS, warned of a "Third World War" if Turkey were to interfere militarily in the Armenian-Azerbaijani conflict. In March 1993, General Grachev, Russia's Defense Minister, made Russia's own military co-operation with Turkey

⁹⁶ Mesbahi, Mohiaddin, "Russian Foreign Policy and Security in Central Asia and the Caucasus," *Central Asian Survey*, Vol. 12, No. 2, 1993

conditional on Ankara's discontinuing its military assistance to Baku.⁹⁷

On the other hand, Jonathan Aves contends that a direct Russian threat to intervene on behalf of Armenia kept Azerbaijan from directly attacking Armenia (other than a few minor incidents on the border),⁹⁸ which clearly reveals the value of the Russian alliance for Armenia.

B. ARMENIAN-IRANIAN RELATIONS

Armenia's relations with Iran are also close actually, similar to that of Russia's. Initially, however, Iranian-Armenian relations fluctuated during the conflict. Iran assumed a mediator role in the conflict between Armenia and Azerbaijan, when, on March 15, 1992, it brokered a cease-fire, which both sides eventually failed to observe. Iran had several goals by assuming this self-appointed mediator role. One of its aims was to restrict an increased Russian and Turkish role in the region as the conflict protracted. Iran also wanted to forestall a serious refugee problem and balance the powers of Armenia and Azerbaijan so as not to create a cycle of irredentism and a security threat to Iran.⁹⁹ The Armenians especially welcomed Iran's mediator role as the leader of the Karabagh Armenians stated:

All these territories where once a part of Persia, and only later were joined to Russia. Iran has significantly more moral, political, historical, and geographic rights for participation in the resolution of the conflict, than Turkey. Yet the negotiations are held within the framework of OSCE, and Iran is not a member. This, along with a range of other reasons, keeps Teheran on a distance from participating in the peace process. In general we believe that Iran has a right to apply for the mediator's role.¹⁰⁰

⁹⁷ Trenin, Dmitri, "Russia's Security Interests in the Caucasus Region," Chapter III of *Contested Borders in the Caucasus* and Aves, Jonathan, "National Security and Military Issues in the Transcaucasus: The Cases of Georgia, Azerbaijan, and Armenia," in Bruce Parrott's "State Building and Military Power in Russia and the New States of Eurasia." p. 189

⁹⁸ Aves, Jonathan, "National Security and Military Issues in the Transcaucasus: The Cases of Georgia, Azerbaijan, and Armenia," in Bruce Parrott's, "State Building and Military Power in Russia and the New States of Eurasia." p. 190

⁹⁹ Nahavandi, Firouzeh, "Russia, Iran and Azerbaijan. The Historic Origins of Iranian Foreign Policy" from Bruno Coppieters (ed.) *Contested Borders in the Caucasus*, ISBN 90 5487 1172 NUGI 654 D/ 1996 / 1885 / 005

¹⁰⁰ Tchlingirian, Hratch "Nagorno Karabagh: Transition and the Elite," *Central Asian Survey*, Vol. 18 No. 4, December 1999

On May 10th, Iranian President personally met with the presidents of the respective countries and brokered another cease-fire. At the time, this cease-fire was promoted as a victory of Iranian diplomacy. Whereas, with the declaration of the cease-fire, Armenians attacked and captured Susha and Lachin, expelling the Azeri inhabitants. Armenian attacks in the face of Iran-brokered cease-fire embarrassed Iran. Its neutral stance tilted toward Azerbaijanis as fellow Shia Muslims and former Persian subjects. The fact that the Armenian attack occurred simultaneously with the cease-fire agreement was severely criticized in Iran according to Abdollah Ramezanzadeh.¹⁰¹ The Iranian Daily Salam wrote, “The Armenians have proved that they do not keep any promises and that they took advantage of the opportunities (prepared for them by our diplomacy) for rearmament.” The paper also sharply criticized the Iranian foreign ministry for considering that rapprochement with Armenian and international bodies was more important than the massacres of the Azerbaijan’s Shiite population.¹⁰²

However, this pro-Azeri sentiment would change with the advent of the APF government’s accession to power in Baku. This new government adopted a strong pro-Turkish and pro-Western policy and flirted with NATO and the United States. The Azerbaijan government awkwardly rejected the role of Iran as a mediator and exclusively favored Turkey and the West. As a result, the Armenian-Iranian relations improved after this dramatic change in Baku’s policies. The Azeri clampdown on Iranian religious establishments in Azerbaijan was another irritant in their relations. Increasing fear of aggressive Azerbaijani nationalism also concerned Iran. Ethnic Azeris predominantly populated Northern Iran, which bordered Azerbaijan. Some Azeri officials in the new Elchibey government articulated their desires to unite Northern and Southern Azerbaijan (Southern Azerbaijan being Northern Iran). This was a direct challenge to Iran’s territorial integrity. Naturally, this aggressive rhetoric improved the Armenian-Iranian relations. According to Cornell, Azerbaijan’s President Elchibey himself, being pro-Turkish, secularly oriented and pan-Azeri, was vehemently anti-Iranian. He allegedly

¹⁰¹ Ramezanzadeh, Abdollah, “Iran’s Role as Mediator in the Nagorno Karabagh Conflict” from Bruno Coppieters (ed.) *Contested Borders in the Caucasus*, ISBN 90 5487 1172 NUGI 654 D/ 1996 / 1885 / 005

¹⁰² *Salam*, 21 May 1992

labeled Iran as a doomed state and predicted that within five years Azerbaijan would be united, thus showing his lack of diplomatic experience and tact.¹⁰³

Iran's deteriorating relations with Azerbaijan improved its relations with Armenia. Currently Iran is Armenia's second largest trading partner, following Russia.¹⁰⁴ The border between these countries has been open throughout the conflict despite several incidents. Their relations temporarily severed when Iran sent in troops inside the Azeri territory on September 2, 1993 to create a buffer zone and stem a refugee flow escaping from the invading Armenian forces. Relations were also tense when Armenian forces downed an Iranian airliner over Karabagh in March of 1994.¹⁰⁵ Despite these initial difficulties between the two states, however, bilateral relations between Iran and Armenia have been very good so far. About 200,000 Armenians live in Iran and some hold official positions. The two nations have an economic cooperation agreement and a friendship pact dating back to 1992. Iran is in a trilateral economic agreement with Armenia and Greece, uneasy neighbors of Turkey, since 1997.¹⁰⁶

One of the most significant Armenian gains from improved relationship with Iran was the agreement concluded in May 1995, shortly after Iran was excluded from the oil deal signed between the Azeri Government and Western oil companies. According to this agreement, Iran would supply Armenia with natural gas and electricity for 20 years.¹⁰⁷ These two countries now plan to build a gas pipeline from Iran to Armenia in 2001,¹⁰⁸ which is financed by a consortium consisting of Russian, French and Greek companies.¹⁰⁹ Through Iran and to some extent through Georgia, Armenia has resolved some transport problems caused by the Azeri and Turkish embargoes. The electricity and

¹⁰³ Cornell, Svante E. "Iran and the Caucasus," *Middle East Policy Journal*, Vol. V, No. 4, January 1998

¹⁰⁴ Pannier, Bruce, "Turkey and Iran in Soviet Central Asia and Azerbaijan: The Battle for Influence That Never Happened," *Perspectives on Central Asia*, Vol. II, No. 13, April 1998

¹⁰⁵ Aves, Jonathan, "National Security and Military Issues in the Transcaucasus: The Cases of Georgia, Azerbaijan, and Armenia," in Bruce Parrott, "State Building and Military Power in Russia and the New States of Eurasia," p. 192

¹⁰⁶ Jane's Defense Online "External affairs/Armenia," 28 March 2001

¹⁰⁷ Cornell, Svante, "Iran and the Caucasus," *Journal of Middle East Policy*, Vol. V, No. 4, January 1998

¹⁰⁸ Carol Migdalovitz, "Armenia-Azerbaijan Conflict," CRS Issue Brief for Congress, received through the CRS Web, June 7 2001, www.fas.org/man/crs/IB92109.pdf, p. 14

¹⁰⁹ Jane's Defense Online, "External Affairs/Armenia," March 28, 2001

gas supplies from Iran would especially do much to break the Azeri and Turkish embargoes on Armenia.

C. ARMENIAN-TURKISH RELATIONS

Relations with Turkey are a bit complicated for Armenians. Turkish-Armenian relations date back to the 11th century when Seljuk Turks started to conquer the Caucasus and the Anatolia by pushing back the Byzantine Greeks westward. A good proportion of Armenians lived under different forms of Turkish rule until the early 20th century. Since the early 18th century, as the structure of the Ottoman Empire started to crumble, member states began to gain their independence from the empire with covert or overt foreign intervention. As influential powers, especially Russia, sought to dismember the Turkish Empire, the harmony that dominated the Turkish-Armenian relations began to give way to open hostility. Numerous wars, fought between the Russians and the Ottomans from the late 17th century to the WW I, became a proving ground for conflicting loyalties. Armenians generally sided with the invading Russian Armies against the Ottoman governments and rebelled several times within the borders of Turkey.¹¹⁰ WW I was the last in a chain of wars between the Russian Empire since the early 17th century. During WW I, Armenians cooperated with the invading Russian Armies against the Turkish government. As a result, the Ottoman government deported the Armenians from Anatolia altogether.¹¹¹ Armenians, thus, developed a long-lasting distrust for Turkey for what they call a genocide committed against rebelling Armenians during World War I. Paul Henze summarizes the nature of the events:

In every Russo-Turkish war in the 19th century and in World War I, Russia tried to use the Armenians of Anatolia as a fifth column. Ottoman Armenians suffered grievously as a consequence, and so did Kurds and the Turks in the region.¹¹²

¹¹⁰ For detailed accounts of the Armenia rebellions and Turkish-Armenian relations, see Justin McCarthy, *Death and Exile: The Ethnic Cleansing of Ottoman Muslims 1821-1922*, The Darwin Press, 1995, pp. 23-58, pp. 179-254; Stanford J. Shaw, *History of the Ottoman Empire and Modern Turkey*, Cambridge University Press, 1977, Volume II, page 310-25; Kamuran Gurun, *The Armenian File: The Myth of Innocence Exposed*, New York St. Martin Press, 1985; Veysel Eroglu, *The Armenian Genocide of the Muslim People in Eastern Anatolia*, pp: 220-261, Sebil Yayınevi, Istanbul, 1978

¹¹¹ Sonyel Salahi, "The Great War and the Tragedy of Anatolia: Turks and Armenians in the Maelstrom of Major Powers," Frank Cass, Jan 2001; M E Yapp, review "The Great War and the Tragedy of Anatolia," *Middle Eastern Studies*, Vol. 37, No. 1, January 2001

¹¹² Henze, Paul B. "Turkey and Armenia: Past Problems and Future Prospects," RAND Publications P-7961, 1996 and Henze, Paul B. "Turkey's Caucasian Initiatives," *ORBIS, A Journal of International Relations*, Vol. 45, No. 1, Winter 2001, p. 88

Again, after Russia withdrew from the war, the Armenian attempt to occupy the Turkish towns of Kars and Ardahan led to a Turkish-Armenian War in September of 1920. The war ended with the victory of the seemingly exhausted Turkish Army.¹¹³ With the Treaty of Gumru/Alexandropol between Turkey and the Dashnak-governed Armenia on November 18, 1920, Armenians agreed to withdraw their claims on the territories they attempted to invade. The Treaty of Kars in March 1921 and the Treaty of Moscow in October 1921 between the Bolsheviks and the Republican Turkey further confirmed the current border between Turkey and Armenia. That humiliating Armenian defeat further aggravated their hard feelings and resentment toward Turkey. Especially the Diaspora Armenians, who were the descendants of those evicted from Turkey in 1915, began a campaign in the 1970s, which continues to the present. They pressed for the recognition of Ottoman deportations as “genocide” in Western capitals, the latest example of which is the resolution adopted by the French Parliament.¹¹⁴

Although scholars still seriously debate what actually happened during the World War I, Armenians and their sympathizers believe that deportation was a deliberate attempt of the Ottoman government to exterminate the country’s Armenian population. They put the number of Armenian casualties at 1.5 million. The Turkish government and scholars, on the other hand, claim that this number is grossly exaggerated, that both parties suffered from the inter-ethnic strife initiated by Armenians and as a result, more Turks were killed in the region than Armenians.¹¹⁵ The Genocide claim is a continuing

¹¹³ Baumann, Robert F. “The Legacy of Russian Rule in the Caucasus and the Central Asia,” Command and General Staff College, Fort Leavenworth, *Perspectives on Central Asia*, Vol. II, No. 12, March 1998

¹¹⁴ Soylemez, Yuksel, “Friends and Foes, Turks and Armenians,” *Turkish Daily News*, August 20, 2001

¹¹⁵To review the Armenian side of the story, check Hovannissian Richard, *The Armenian Genocide in Perspective*, Transaction Publishers, 1988; Dadrian Vahagn, *The History of the Armenian Genocide: The Ethnic Conflict from the Balkans to Anatolia to Caucasus*; Melson Robert, *Revolution and Genocide: On the Origins of Armenian Genocide*; Graber G.S. *Caravans to Oblivion: Armenian Genocide, 1915*. To review Turkish side of the story, see McCarthy, Justin, “Testimony at House Committee on the Congressional Hearing on House Resolution 398,” International Relations Subcommittee on International Operations and Human Rights, September 14, 2000; The statement made to the Congress of the United States of America by 69 American Academicians on May 19, 1985, Turkish Forum through internet; Justin McCarthy, *Death and Exile: The Ethnic Cleansing of Ottoman Muslims 1821-1922*, The Darwin Press, 1995; Stanford J. Shaw, *History of the Ottoman Empire and Modern Turkey*, Cambridge University Press, 1977, Volume II; Kamuran Gurun, *The Armenian File: The Myth of Innocence Exposed*, New York St.

irritant in the relations. The current hardliner government in Yerevan, unlike the previous Ter Petrossian government, recognized the claimed genocide as an Armenian foreign policy goal. This further exacerbated the relationship.

Another obstacle in Turkish-Armenian relations is the irredentist Armenian claims on the Turkish territory. In January of 1991, the Armenian Parliament declared that Armenia no longer recognized the existing borders established by the treaty of Kars in 1921 between the Bolsheviks and the Turkish Republic. Following this declaration of the Armenian parliament, Turkey declared that it would not open diplomatic relations with Armenia unless Yerevan respected the existing borders and renounced its claims to Turkish territory.¹¹⁶

Despite a seemingly doomed start, Turkey tried to salvage the relations and to reconcile the old grievances by trying to engage Armenia into improving relations. For instance, Turkey was among the first countries to recognize Armenia on December 16, 1991. In April 1991, the Turkish ambassador in Moscow visited Armenia. Drafts of a treaty of friendship were prepared, together with an agreement to initiate direct cross-border trade and the opening of a highway between the two countries.¹¹⁷ Turkey also tried to adopt a neutral stance in the Karabagh conflict in its early years and further offered grain and electricity for humanitarian purposes. Turkey also let Armenian Diaspora in the U.S and in France use Turkish air space for humanitarian aids, many of which ended up being used on the front against the Azeris.¹¹⁸

After the Khojali massacre on February 25, 1992, where Armenian forces killed up to a thousand unarmed Azeri civilians, public opinion turned strongly against Armenia. Public demonstrations in Turkey gathered hundreds of thousands in the streets protesting Armenian atrocities and the Turkish government's inactivity. The Government

Martin Press, 1985; Veyssel Eroglu, *The Armenian Genocide of the Muslim People in Eastern Anatolia*, pp: 220-261, Sebil Yayinevi, Istanbul, 1978; Sonyel Salahi. "The Great War and the Tragedy of Anatolia: Turks and Armenians in the maelstrom of Major powers," Frank Cass, January 2001

¹¹⁶ Goldenberg, Suzanne, *Pride of Small Nations*, Zed Books, 1994, p. 53; Svante Cornell, "Turkey and the Conflict in Nagorno Karabagh: A Delicate Balance," *Middle Eastern Studies*, Vol. 34, Issue. 1, January 1998

¹¹⁷ Tutuncu, Mehmet, *Caucasus: War and Peace, the New World Disorder*, Haarlem, Netherlands, 1998, p. 189

¹¹⁸ De Pauw, Freddy, "Turkey's Policies in Transcaucasia" from Bruno Coppieters (ed.) *Contested Borders in the Caucasus*, ISBN 90 5487 1172 NUGI 654 D/ 1996 / 1885 / 005, p. 184

was forced to change its policy in the face of strong criticism from opposition parties. President Turgut Ozal made a statement that Turkey should “show its teeth”¹¹⁹ and that the Armenians needed to be frightened a bit to stop their offensive against Azeri civilians.¹²⁰ Diaspora Armenians used Ozal’s statement widely to demonstrate Turkey’s intentions for another “genocide” to exterminate the Armenians. Important Turkish political figures argued for a more assertive policy against the Armenians on Azerbaijan’s behalf.¹²¹ The leader of the Nationalist Action Party, for example, demanded an intervention to stop Armenian attacks and criticized the government for allowing an Armenian genocide of the Azeris.¹²²

Even under severe pressure, the Turkish government tried to maintain a moderate level of relations not to totally alienate the Armenians. In November 1992, Turkey signed an agreement with Armenia to supply the latter with electricity and allowed a considerable amount of food to pass through Turkish territory.¹²³ Ter Petrossian’s government, in return, sent warm signals following these Turkish moves. He was reportedly preparing to rule out the genocide claims and to accept the existing borders. To the consternation of the Turkish public, Suleyman Demirel’s government further declared that Turkey would send fuel and food to Armenia. Nevertheless, after continuing Armenian attacks and the occupation of Kelbajar, a large Azeri city outside of Karabagh, Turkey announced in March that it would inspect airplanes going to Armenia through Turkish aerospace. Turkey eventually closed its border to Armenia on April 3, 1993 (ostensibly due to Armenia’s noncompliance with Security Council Resolution #822).

Despite the closure of the border with Armenia, Turkey tried to maintain some semblance of relations with Armenia. In April 1995, the Turkish Prime minister, Mesut Yilmaz, announced the reopening of an air corridor to Armenia. Following the Armenian

¹¹⁹ *Independent*, 7 April 1993

¹²⁰ FBIS-WE, March 5, 1992, p. 43, quoting Anatolia News Agency, taken from “Undeclared War: Nagorno Karabagh Conflict Reconsidered,” Cornell, Svante E. *Journal of South Asian and Middle Eastern Studies*, Vol. XX, No. 4, Summer 1997

¹²¹ Cornell, Svante, *Small Nations and Great Powers*, Curzon Press, 2001, p. 294

¹²² FBIS-WE, March 13, 1992, p. 14, quoting Turkiye Radyolari, taken from “Undeclared War: Nagorno Karabagh Conflict Reconsidered,” Cornell, Svante E. *The Journal of South Asian and Middle Eastern Studies*, Vol. XX, No. 4, Summer 1997

¹²³ Goldenberg, Suzanne, *Pride of Small Nations*, Zed Books, 1994, p. 55. The electricity deal had to be cancelled in January of 1993 in the face of fierce criticism from opposition parties.

offer to exclude genocide stance from the bilateral agenda if Turkey would exclude Karabagh, flights resumed in October.¹²⁴ In March of 1996, Prime Minister Yilmaz declared that borders with Armenia could be opened before a formal accord if Armenia and Azerbaijan simply agreed on principles. Allegedly, after pressure from Azerbaijan and its connections within the Turkish Parliament, he later added that Armenia must first recognize Azerbaijan's territorial integrity.¹²⁵

Relations seem to be getting worse after the forced resignation of moderate Ter Petrossian and the takeover of the hardliners in Armenia. Consequent Armenian President Kocharian was the former President of the self-declared Karabagh Republic. He could practically be regarded an Azerbaijan citizen. In May of 1998, Kocharian re-legalized the extremist Dashnak Party, which has a strong backing among the Diaspora Armenians. This party was in charge during the Armenia-Turkish war in 1920 and it has long been a strong supporter of genocide claims against Turkey. Its members also openly articulated territorial demands on the Turkish territory. Dashnaks, being the main supporters of the current Kocharian government, have demanded the recognition of the claimed Armenian genocide by the international community and Turkey. They also have demanded the return of large territories (articulated as six vilayets [cities] including Kars, Ardahan, Erzurum, Van, Trabzon, and Bitlis) in Eastern Turkey and the return of the entire Nakhcivan to Armenia. They sought the annexation of Nagorno Karabagh and compensations from Turkey for the 1915 events.¹²⁶ Ter Petrossian had banned the Dashnak Party on charges of terrorism after a series of political assassinations in 1994.¹²⁷ Petrossian had formally accused the Dashnaks by a decree he himself read on Armenian

¹²⁴ Migdalovitz, Carol, "Armenia-Azerbaijan Conflict" CRS Issue Brief for Congress, received through the CRS Web, June 7, 2001, www.fas.org/man/crs/IB92109.pdf, p.15

¹²⁵ Ibid, p. 15

¹²⁶ Aves, Jonathan, "National Security and Military Issues in the Transcaucasus: The Cases of Georgia, Azerbaijan, and Armenia," in Bruce Parrott's, "State Building and Military Power in Russia and the New States of Eurasia," p. 188; Cornell, Svante, "The Nagorno Karabagh Conflict," p. 78

¹²⁷ Political assassinations in Armenia is a common phenomenon which started in 1993 with the assassination of the former head of Armenian KGB, Marius Yuzbashian, in July and led to the banning of the Dashnaks after the murder of the former mayor of Yerevan and a member of the Karabagh Committee, Ambartum Galstian, in December 1994. The assassination campaign peaked when armed men burst into the Armenian Parliament on October 27, 1999, killing the Prime Minister Vazgen Sarkissian, the speaker of the parliament, Karen Demirchyan, and six other senior government officials. In addition, on March 23, 2000, the President of the self-declared Karabagh Republic, Arkadiy Gukasyan, was shot and wounded.

television. He had accused Dashnaks of running a secret armed organization called Dro;¹²⁸ involvement in drug smuggling; and collecting intelligence on the Armenian Army and carrying out political assassinations.¹²⁹ Turkey had welcomed this ban as a sign of good will considering the strong anti-Turkish rhetoric and the policies of the banned party.

Kocharian also backed off from the proposed peace deal with Azerbaijan, which Petrossian had supported. He adopted an uncompromising stance over the status of Karabagh and related issues. Kocharian further distanced Armenia from the policies of the Petrossian government by focusing on the “ genocide” campaign against Turkey in Western capitals.¹³⁰ His government declared that it would openly pursue the “Armenian Cause,” or “Hai Dat” in Armenian, making reconciliation almost impossible.

Considering Kocharian’s stance, an improvement in relations is seemingly impossible as the so-called Armenian cause includes demands unacceptable to Turkey. As these demands include the secession of a certain part of Turkey to Armenia, it is highly doubtful that any Turkish government would consider a rapprochement in the shadow of such demands.

In addition to these irredentist claims, Armenia’s alignment with states, known to be unfriendly to Turkey, causes serious concern in Turkey and it further complicates the already tense relations. Armenia already has a defense agreement with Russia, which concerns Turkey. After a meeting between the Armenian Prime Minister and the Greek Chief of National Defense in July 1997, Armenia and Greece stated that they were to begin exchanging military intelligence and increasing joint training programs. In September of 1999, foreign ministers of Armenia, Greece, and Iran signed a memorandum that pledged to strengthen the original 1997 agreement on trilateral

¹²⁸ Allegedly the organization “Dro” was named after Drastamat Kanayan (a.k.a “Dro”) who was commanding the 812th Armenian battalion of the Nazi Wehrmacht during the Second World War. Evaluating the credibility is left to the reader. (Turkish Ministry of Foreign Affairs Web site under The Armenian Allegations of Genocide: The Issue and the Facts, www.mfa.gov.tr/grupa/ad/adf/massacre.wash.be.ing.htm)

¹²⁹ Aves, Jonathan, “ National Security and Military Issues in the Transcaucasus: The Cases of Georgia, Azerbaijan, and Armenia,” in Bruce Parrott’s, “ State Building and Military Power in Russia and the New States of Eurasia,” p. 197

¹³⁰ The Armenian Foreign Minister in the Kocharian government declared that Yerevan would put the recognition of the genocide on the agenda of a future dialogue with Turkey, *Jamestown Monitor*, 25 November 1998, quoted from Cornell, “The Nagorno Karabagh Conflict,” p. 77

cooperation on trade, communications, energy, and technology.¹³¹ While all three denied that the agreement was directed at any other country, the actual extent of discussions on future defensive commitments are unknown. A tripartite defensive pact with anti-Turkish overtones is open to speculation.¹³² Greek and Armenian Chief of Staffs further met in Yerevan, reportedly discussing joint training and defense industry initiatives in August 2000.¹³³ An Armenian delegation headed by the Armenian Defense Minister also met Syrian Defense Ministers, reportedly reviewing military cooperation and discussing ways to expand such ties.¹³⁴ Following this meeting, Armenia and Syria signed a defense cooperation accord, details of which were not disclosed.¹³⁵ Armenia's close cooperation with Iran, Russia, Greece and Syria should naturally concern Turkish policy makers because such a cooperation creates a geographical encirclement that could assume an anti-Turkish character in the future.

Although Turkey maintains that it aims to normalize relations with Armenia only when the Armenians make peace with their past, leave the judgment of the history to historians, drop their claims on the Turkish territory, and take concrete steps toward resolving their conflict with Azerbaijan, there are still some modest steps toward a dialogue in the relations. A group of Turkish and Armenian former diplomats, academicians and intellectuals met in Geneva on July 9, 2001, following two previous meetings in Vienna. They finally decided to establish a "Turkish-Armenian Reconciliation Commission" to start a dialogue between the two sides at an informal level. This commission would act as an informal bridge in the absence of a dialogue between Ankara and Yerevan.¹³⁶ A majority of groups in the Armenian Parliament, the Dashnaks and some other radical Diaspora groups opposed this initiative on the grounds that it would compromise the Armenian cause by trying to divide the Armenian public

¹³¹ Jane's Online, "External Affairs, Armenia," February 7, 2000, <http://fore.thomson.com/janesdata/sent/cissu/cissu7/armes080.htm>

¹³² *ibid.*

¹³³ Jane's Online, "External Affairs/Armenia," March 28, 2001

¹³⁴ "Syria, Armenia Discuss Military Cooperation," *Middle East News Line*, Vol. 3 No. 333, August 23, 2001 through www.menewslines.com

¹³⁵ "Armenia, Syria Signed Defense Accord," *Middle East News Line*, Vol. 3, No. 341, August 29, 2001 through www.menewslines.com

¹³⁶ Aktan Gunduz, "Turkish-Armenian Dialogue," *Turkish Daily News*, July 11, 2001

opinion in its approach to the “genocide” issue.¹³⁷ A reconciliation seems elusive in the short term between Armenia and Turkey, but the future of the relations is yet to be seen.

D. ARMENIAN-U.S RELATIONS

Ironically, despite its close relations with Russia and Iran, Armenia also enjoys good relations with the United States. Owing to its effective ethnic lobby in the US, Armenia is the largest per capita recipient of U.S aid among the former Soviet states¹³⁸ and the second largest in the world after Israel.¹³⁹ The Armenian lobby succeeded in depriving Azerbaijan of U.S foreign aids by influencing the U.S Congress to pass the Freedom Support Act Section 907 in 1992. The Armenian lobby also managed to provide U.S foreign aid for Karabagh by circumventing Baku. Remarks from a U.S Department of State Dispatch explains the situation well:

Unfortunately, however, our ability to promote Azerbaijan’s democratic and economic reforms has been sharply limited since 1992 by section 907 of the Freedom Support Act. This legislation also has restricted our ability to address urgent humanitarian needs. Aid to Azerbaijan since independence has been \$80 million (thanks to a partial loosening of the act by the Clinton Administration) in a country where 780, 000 people are refugees or internally displaced. In contrast, we have provided \$612 million to Armenia, and \$420 million to Georgia.¹⁴⁰

E. CONCLUSION

Armenia seems to have the upper hand in relations with the Azerbaijan. However, the situation does not seem promising for Armenia, either. Its economy is in ruins. It lacks natural resources and is dependent on foreign energy. It sustains itself through foreign aid, mainly from the U.S and Russia and donations from Diaspora Armenians. Azerbaijani blockade and Turkish embargo seriously crippled its economy and strained its already low welfare. As an Armenian scholar put it:

¹³⁷ Socor, Vladimir, “Armenian Parliament Says No to Reconciliation with Turkey,” July 31, 2001, Turkish Forum through Internet.

¹³⁸ Sestanovich, Steve in “U.S Role in the Caucasus and the Central Asia: Hearing before the Committee on International Relations House of Representatives,” 105th congress, 2nd session, April 30, 1998

¹³⁹ *The Economist*, “Can Armenia’s New Man Deal?” London, April 4, 1998, anonymous, Vol. 347, Issue 8062, p. 57; Thomas Goltz “Catch-907 in the Caucasus,” *The National Interest*, Issue. 48, Summer 1997, Washington

¹⁴⁰ Herbst, John E, “U.S Policy towards the Caucasus,” U.S Department of State Dispatch, Vol. 7, Issue 33, Washington, August 12, 1996

Armenia has been an independent state for long [sic: for a long time] now, but people here joke that the country is not only independent of Russia, it is also independent of gas, light, warm water, and heat. Romantic dreams of a strong, democratic country and the victory of historical justice in Nagorno-Karabagh have faded into an endless war, economic paralysis, and a transportation and energy blockade.¹⁴¹

Corruption is rampant in the government and the military. Allegations of abuses and corruption in conscription agencies are legion, creating an atmosphere of suspicion and fear. Many draft-age Armenians have left the country as a result.¹⁴² Several military officials were sentenced to terms of imprisonment in 1998 for soliciting bribes to gain exemption from service for favored people.¹⁴³ War and the ensuing blockades caused a sharp deterioration in industrial production and increased overall poverty. There has been little foreign investment in the country due to the war and ensuing instability. Most importantly, between 700,000 to a million people, mostly those who are young and skilled, have left Armenia since the collapse of the Soviet Union. Some Western observers even say it is closer to 1.5 million, almost half of Armenia's population.¹⁴⁴ Officially, 30% of the economically active population (18% in total), namely those who were to become the core of the middle class, left the country.¹⁴⁵ Some observers suggest that the same number of people might leave the country for Europe, the CIS countries and the U.S over the next five to ten years, if the situation plaguing the Armenia persists.¹⁴⁶ Even in Nazi Germany, which lost a war on two fronts from 1939 to 1945

¹⁴¹ Isaryan, Drastamat, "Until There Are No More Trees," The Bulletin of Atomic Scientists (www.bullatomisci.org/issues/1994/jf94/jf94Armenia.html)

¹⁴² Aves, Jonathan, "National Security and Military Issues in the Transcaucasus: The Cases of Georgia, Azerbaijan, and Armenia," in Bruce Parrott's, "State Building and Military Power in Russia and the New States of Eurasia." P. 198

¹⁴³ Jane's Online "Armenia/ 1.0.7 Defense," April 5, 2000

¹⁴⁴ Charlton, Angela "Losses Outweigh Gains for Caucasus Region 10 Years after Soviet Demise," *Turkish Daily News*, August 29, 2001

¹⁴⁵ According to human development report of 1999, from 1991-1998 approximately 1,100,000 persons left Armenia, 380,000 came back. The net result of the migration amounts to 720,000 persons in favor of emigrants (18% of the RA citizens). 82% of those people who emigrated from Armenia were of working age. (UNDP 1999, Chapter 2); Human Development Report: Armenia 1997 through www.undp.am/archive/Nhdr/Nhdr97/page19.html

¹⁴⁶ Diloyan, Mikhail, "Emigration Emerges as a Serious Concern in Armenia," 04/11/2000, Eurasia Insight, through www.eurasia.net.org/departments/insight/articles/eav041100.shtml

World War II, the total loss of its population amounted to about 12% compared to 18% in Armenia.¹⁴⁷

The main causes of such emigration are the uncertain security conditions, a depressed economy, and the resulting socio-economic situation. These in turn were caused by the prolonged conflict with Azerbaijan over Nagorno-Karabakh, the ensuing transport blockade, the energy crisis, and the ensuing dramatic drop in living standards. This high emigration rate of skilled personnel has led to a severe "brain drain," which has had an adverse effect on the Armenian economy. Mass emigration also negatively affected the demographic structure of Armenia's population. It contributed, together with the worsening of living conditions, to the postponement of marriages, the fall in fertility rates, the reduction of family size and the overall decrease in population growth.¹⁴⁸ Due to the migration of the economically active population, the percentage of children, unemployed and elderly people, refugees and other vulnerable groups rose. Therefore, the burden of the state, which is obliged to care for the vulnerable, increased, creating additional obstacles for the already fragile economy.

While anticipating a democratic western orientation, Armenia chose to align itself with Russia and Iran. Armenia further consolidated this orientation with the forced resignation of moderate Levon Ter Petrossian and the takeover of hardliners since 1998. The impact of radical Dashnaks increased with the number of assassinations of important political figures some of whom were known for their reconciliatory attitudes toward the Karabagh issue and relations with Turkey. In light of these developments, Armenia seems to be consuming its own future prospects as a sovereign, prosperous, and democratic republic. It is, instead, consolidating its current situation as a democratically deprived country, which is at an undeclared war with its neighbors. Its gloomy democratic tradition is also coupled by an economic failure that causes its population to abandon the ship before it sank further into the depth.

¹⁴⁷ UNDP 1999, Chapter 2, through <http://www.db.idpproject.org/Sites/IdpProjectDb/idpSurvey>.

¹⁴⁸ UNDP 1997, through www.undp.am/archive/Nhdr/Nhdr97/page19.html

V. AZERBAIJAN

Azerbaijan, like Armenia, is a small country, covering an area of 88,800 square km, with a population of approximately 7.3 million people. It borders the Caspian Sea on the west, the Russian Federation on the north, Georgia on the Northeast, Armenia on the east, and Iran on the south. Its southwestern part, Nakhcivan, is separated from the main body of the country by Armenia. In contrast to Armenia, Azerbaijan does not have an ethnically homogenous and ideologically united people. It witnessed political instability and upheavals together with military defeats after its independence. As mentioned previously, together with Karabagh, 20 percent of Azerbaijan's territory is under occupation by neighboring Armenia and breakaway Karabakh Armenians. Around one million of its citizens had to flee their homes. These refugees are currently living in makeshift camps under squalid conditions and creating economic hardships and political unrest within the country. There is a budding separatist movement in Northern Azerbaijan among Lezgin minority, who demand unification with Daghestani Lezgins across the Russian border. There is also a considerable Talish minority in Southern Azerbaijan, which could be manipulated to exert further pressure on Azerbaijan.

Azerbaijan does not have a strong foreign supporter or a Diaspora to promote its concerns. As a result, despite minimal rhetorical support, most international actors have disregarded its claims on territorial integrity. In fact, during the Karabagh Conflict, Azerbaijan found all regional and global powers, which were related to the conflict, with the exception of Turkey, hostile to Azerbaijan or at least sympathetic to the Armenian side. The Azerbaijanis perceived that Russia and the United States had united, despite their historical and still ongoing rivalry, for a modern-day crusade against Azerbaijan. Supposedly, Russia was supplying the Armenians with weaponry while Americans were financing the Armenian war effort by extending it one of the highest per capita financial aid programs among all recipients of U.S aid. Azerbaijan was subject to a U.S ban on foreign aid, due to its blockade of Armenia and Karabagh. Owing to the influential Armenian lobby in the U.S, the U.S was denying humanitarian aid to Azerbaijan, in which every eighth inhabitant was a war refugee or a displaced person.¹⁴⁹ Strangely

¹⁴⁹ Swietochowski, Tadeusz, "Azerbaijan: Perspectives from the Crossroads," *Central Asian Survey*,

enough, this block was to be joined by Azerbaijan's other powerful neighbor, the Islamic Republic of Iran, a fellow Shia Muslim country with which Azerbaijan had enjoyed common historical and religious bonds in the past.



Figure 3. Republic of Azerbaijan

Azerbaijan contains rich mineral deposits and intends to use its oil wealth to buy friends and to exert pressure on Armenia. It intends to ensure its territorial integrity by encouraging the western oil companies to invest in the region and thus to use their relations with the western governments as leverage against Armenia. Azerbaijan also intends to develop close ties with NATO to further enhance its security. In February of 1990, for instance, Azerbaijan asked for the deployment of U.S or NATO troops on its soil.¹⁵⁰ An influential Azeri official (Vafa Guluzade, foreign policy advisor to Azerbaijan President) stated that the Incirlik air force base in Turkey could be re-stationed on the

Vol. 18, No. 4, December 1999

¹⁵⁰ Thomas, Timothy and Shull, John, "Russian National Interests and the Caspian Sea," (www.mfa.gov.tr/grupa/percept/IV-4/thomas_schull.htm)

Absheron Peninsula in Azerbaijan. This utterance caused a lightning-like response from Moscow, Yerevan, and Tehran.¹⁵¹

A. AZERBAIJANI-RUSSIAN RELATIONS

Azeri relations with Russia are not cordial, considering the bloody crackdown in Baku in 1988, the pro-Armenian Russian foreign policy and alleged involvement during the Karabagh War, the Armenian-Russian Friendship and Cooperation Agreement of August 1997, and lastly the massive Russian arms shipments to Armenia between 1994-1996. Azerbaijan has refused to let Russia deploy troops and establish military bases within Azerbaijan's borders, and as a result it was subject to Russian pressure and bullying. Russia considers the region in its own sphere of influence. This belief is expressed by many Russian politicians and evidenced by Russian meddling in numerous coup attempts and separatist movements in the region.¹⁵² To keep the region in its own orbit, Russia intends to:

- Reintegrate Caucasian and Russian security within the institutional context of the CIS.¹⁵³
- Form bilateral security arrangements with individual states in the South Caucasus and deploy Russian border troops to guard the external frontiers of the three South Caucasian States. Russian border guards are currently patrolling Turkish-Georgian and Turkish-Armenian borders.¹⁵⁴
- Re-establish permanent Russian military bases in South Caucasus, which it managed to achieve in Armenia and Georgia but failed in Azerbaijan. Russia has tried to

¹⁵¹ Nassibli Nassib, "Azerbaijan's geopolitics and Oil Pipeline Issue," (www.mfa.gov.tr/grupa/percept/IV-4/nassibli.htm)

¹⁵² Aras, Bulent and Foster, George, "Turkey and Azerbaijani Oil Controversies: Looking for a Light at the End of the Pipeline," (www.biu.ac.il/SOC/besa/meria/books/azerbaijan.htm); Blank, Stephan, "Russia and Europe in the Caucasus," *European Security*, Vol. 4, No. 4, Winter 1995, p. 624; Hale, Henry E. "Independence and Integration in the Caspian Basin," SAIS (The Johns Hopkins University School of Advanced International Studies) Review 1999, (http://muse.jhu.edu/journals/sais_review/v019/19.1hale.html)

¹⁵³ Mesbahi, Mohiaddin, "Russian Foreign Policy and Security in Central Asia and the Caucasus," *Central Asian Survey*, Vol. 12, No. 2, 1993

¹⁵⁴ Winrow, Gareth M. "Turkey's Relations with the Transcaucasus and Central Asian Republics," *Perceptions, Journal of International Affairs*, Vol. 3, No. 4, March-May 1996

intimidate Azerbaijan into accepting Russian bases on a few occasions and allegedly plotted coups to topple defiant leaders.¹⁵⁵

- Press for an exclusive CIS (namely Russian) peacekeeping presence in the region. Russian attempts to dominate the Karabagh peacekeeping process was resisted by Azerbaijan, Turkey and the OSCE Minsk Group. Turkey refused a solely CIS military peacekeeping presence in the region and especially in the Karabagh conflict, in case an agreement had been reached between the sides.¹⁵⁶
- Station more Russian troops and weaponry than foreseen by the CFE treaty.
- Restrict the role of the outsiders by promoting pipelines through Russian territory and dispute the legality of agreements concluded between the foreign oil companies. Russia also challenged Azerbaijan by disputing the legal status of Caspian Sea.¹⁵⁷ Russian policy on this specific issue comes close to that of Iran's, as will be explained below.

Remarks of the former US ambassador to OSCE and US special negotiator for the Karabagh, John Maresca, summarized the Russian intentions:

Russia wished to reestablish its dominance in the region and to exclude outsiders, namely the US and Turkey. Russia wants to dominate Armenia and Azerbaijan for a number of reasons. Most obviously, Moscow would like to reestablish control of the former soviet frontier with Turkey and Iran and to share in Azerbaijan's oil riches. To accomplish these aims, Russia has been pressuring Azerbaijan to accept the reentry of Russian troops as a separation force and as border guards, as to give Russia a share of the oil concessions being developed by Western Countries. For leverage the Russians have used an implicit but dramatic threat. If Azerbaijan does not comply, Russia will step up its backing for Armenia, with disastrous

¹⁵⁵ There are four Russian bases in Georgia, Vaziani, near Tbilisi; Gudauta in Abkhazia; Batumi in Adjara; and Akhalkalaki on the Turkish border. At the 1999 Istanbul OSCE summit on November 17th, Russia promised to withdraw from two of its four bases, Vaziani and Gudauta, by July 1, 2001, in accordance with the revised CFE treaty. Vaziani Airbase is handed over to Georgia on June 29, 2001. On Gudauta base, weapons and equipment that were subject to the revised CFE Treaty were removed from the base on December 31, 2000 and transferred to Armenia. But the base as a whole was not handed over to Georgia so far, on the grounds that local population opposed the withdrawal of the base. Negotiations are still continuing between Russian and Georgian governments. The fate of the bases at Batumi and Akhalkalaki also remains a contentious issue between the Georgian and Russian governments. Armenia also hosts Russian military bases and border guards.

¹⁵⁶ Winrow, Gareth M. "Turkey's Relations with the Transcaucasus and Central Asian Republics," *Perceptions, Journal of International Affairs*, Vol. 3, No. 4, March-May 1996

¹⁵⁷ Bolukbasi, Suha, "The Controversy over the Caspian Sea Mineral Resources: Conflicting Perceptions, Clashing Interests," *Europe-Asia Studies*, Vol. 50, No. 3, May 1998,

military results for the Azeris.¹⁵⁸

Russian-Azeri Relations are in evolution as can be traced from the changing nature of the Russian support for Azerbaijan. During the Elchibey government between June 1992 and June 1993, relations with Russia lost their primary status compared to their cordial level during the of pro-communist Ayaz Muttalibov's presidency years. Russian-Azerbaijani relations cooled down mostly with the anti-colonial struggle of Azerbaijani nationalists against Russia and the latter's bloody crackdown on the Azerbaijani Popular Front in January 1992. Russia's pro-Armenian standing and alleged Russian troop involvement, together with material and equipment support, in the Karabagh war exacerbated the relations.

In October 1992, the Azerbaijani National Assembly voted unanimously against Azerbaijan's membership in the CIS. Elchibey regarded the creation of the CIS as an attempt to restore the Soviet Union, and he insisted on bilateral relations with Russia. Elchibey and the succeeding Aliyev governments successfully resisted the Russian pressure for military bases on the territory of Azerbaijan; joint protection of Azerbaijan's external borders; joint exploitation of Caspian oil and gas resources; unilateral Russian participation in the Karabagh peacekeeping operations and Russian leadership in the mediation process. Russia responded by forming a military alliance with Armenia; increasing its involvement in the conflict on the Armenian side; and creating political domestic instability within Azerbaijan. A warlord, Suret Huseinov, who was notorious for close contacts with Moscow, for example, toppled Elchibey. Heydar Aliyev, who assumed power after the Moscow-engineered coup in June 1993, used a more balanced and realistic approach toward Russia. He made several concessions in an attempt to placate Russian dissatisfaction and thus to elicit Russian support for Azerbaijan's struggle against Armenia. In September 1993, Azerbaijan returned to the CIS.

On the other hand, being aware of dominant Western interests, namely the economic benefits, Aliyev signed an \$8 billion oil contract with a consortium of Western oil companies in September of 1994. Thus, as an act of pragmatism, he tied the economic interests of the U.S and the Western countries to the region. Signing of the oil agreement in September 1994, which also involved Russia's Lukoil oil company, was regarded

¹⁵⁸ (Basics of the Karabagh conflict) www.geocities.com/fanthom_2000/Basics.html

negatively in Russia. The Foreign ministry declared Russia's opposition to the deal on the grounds that the legal status of the Caspian Sea and the ownership of the oil fields to be developed were disputed. Lukoil's participation caused a conflict between the Russian Ministry of Energy, which sided with Lukoil, and the Russian Ministry of Foreign Affairs. Azerbaijan responded to the Russian dissatisfaction by giving Lukoil a larger share (32.5 %) in the development of another new oil field (which was named after Karabagh) and a ten percent share in the Shah Deniz oil field. Lukoil remains the only foreign company to participate in all the contracts signed.

There are, however, modest Russian steps to improve its relations with Azerbaijan. In April 1996, Russia agreed to extradite an Azeri national, Rahim Gaziyeu, who was residing in Moscow after an alleged coup attempt against Azerbaijan President Aliyev. Moscow, on the other hand, turned down another Azeri request for the extradition of Ayaz Muttalibov, former President of Azerbaijan who was also living in Moscow.¹⁵⁹ In August of 1996, President Aliyev and Russian Prime Minister Chernomyrdin signed a preliminary agreement on the lifting of a Russian blockade on Azerbaijan's northern border. The blockade had allegedly intended to stop the Azeris from helping the Chechen rebels during the first Chechen war.

Relations were strained again on October 1996, when Aman Tuleyev, the Russian minister for the CIS affairs, revealed that since 1994 Russia had supplied Armenia with a billion dollars worth of military equipment, including modern tanks and air defense weapons, free of charge. Azerbaijan protested the transfer as a violation of the CFE treaty and the CIS collective security agreement. However, Azeri demands to remove the weapons from Armenia were not heeded. Chairman of the Duma Defense Committee, General Rev Rochlin, protested the transfers and called for improved relations with Azerbaijan.

In November of 1996, Chernomyrdin made serious concessions about the issue of the status of the Caspian Sea. He stated that Russia was willing to recognize the jurisdiction of the littoral states for a distance of 45 miles from the shore, compared to a previous offer of 20 miles. He also offered to extend this jurisdiction to other areas where oil extraction had begun or was about to start. The previous Russian position was that

¹⁵⁹ Alieva, Leila "The Foreign Policy of Azerbaijan," Central Asian and Caucasian Prospects, Briefing Paper No. 9, October 1996 through internet www.riia.org/Research/rep/bp9.html

there had to be a joint ownership and development of the Caspian Sea oil by all five littoral states. According to the Azerbaijan's point of view, the Russian offer was not good enough because the Azerbaijan's main oil fields were beyond the proposed 45-mile limit. Nevertheless, the Russian offer was a good signal of their willingness to improve relations by abandoning their previously uncompromising attitude. At the Lisbon Summit, in December of 1996, Russia backed the Azerbaijan's position regarding the Karabagh issue for the first time. At the summit, the principle of the territorial integrity took precedence over the right of self-determination.

In March of 1997, Russia agreed to extradite Suret Huseinov, who was the former Azeri Prime minister and the warlord who had engineered the coup to topple the Elchibey government. Huseinov had to flee to Russia after his second coup attempt against Aliyev failed. On July 4, 1997, Azerbaijan and Russia signed a Treaty of Friendship and Cooperation, which condemned "separatism" and promoted conflict settlements according to the principle of territorial integrity. Despite this mostly symbolical agreement, the Azeri-Russian agreement differed significantly from the one concluded between Russia and Armenia in that the former lacked tangible security provisions. Russia responded to Azeri concerns over Russia's role as an impartial mediator, considering its security agreement with Armenia, by announcing that the treaty between Russia and Armenia "is not directed against Azerbaijan" and "will never be invoked to the advantage of those opposed to Azerbaijan's territorial integrity."¹⁶⁰ On January 10, 2001, Russian President Vladimir Putin made an official visit to Azerbaijan in an effort to improve the political, economic, and security relations. Russia seemed to modify its initial stance of unconditionally supporting Armenia against an Azerbaijan it had chosen to bully in the past in an effort to get Azerbaijan to return to the Russian orbit. However, considering the Russian tradition of volatility in its support of conflicting sides in the face of changing benefits, predicting the endpoint of this seeming thaw in the relations is difficult.

¹⁶⁰ Carol Migdalovitz, "Armenia-Azerbaijan Conflict," CRS Issue Brief for Congress, received through the CRS Web, June 7 2001, www.fas.org/man/crs/IB92109.pdf, p. 16

B. AZERBAIJANI-IRANIAN RELATIONS

Apart from Russia, Azerbaijan also has problems with Iran, another Armenian ally. Unlike Turkey, Iran did not recognize the independence of Azerbaijan until the dissolution of the Soviet Union. Iran's reasons to pursue a seemingly anti-Azeri foreign policy can be interpreted as follows:

- Baku's pro-Western attitude, its close relations with Turkey, its flirting with NATO, the United States, Israel and the other Western states and its eagerness to lure foreign oil companies in the region;
- Iran's exclusion from the Caspian oil projects by Azerbaijan International Operating Company [AIOC] under the U.S pressure;
- Azerbaijan's refusal to yield to Iran's claims about the status of the Caspian, thus facilitating foreign involvement and causing Iran to lose potential revenue;
- The Azeri clampdown on Iranian religious establishment in Azerbaijan;
- Iran's increasing fear of a future dismemberment due to aggressive Azerbaijani nationalism that could lay claims on Northern Iran, which was populated mainly by ethnic Azeris;

As explained in Chapter III, relations with Iran deteriorated during the APF government in Azerbaijan. Aliyev, however, chose to distance Azerbaijan from the earlier policies of Elchibey. During his presidency, relations improved to some extent. When Azerbaijan concluded an oil agreement in September of 1994 with foreign oil companies, Aliyev gave Iran a five percent share of the deal. This move was intended to improve relations with Iran and to elicit its support to increase the effects of the Azeri-Turkish embargo on Armenia.

However, the United States forced Azerbaijan to exclude Iran from the oil agreement in April of 1995. This naturally angered the Iranians and exacerbated the relations between the Azerbaijan and Iran. Since that time, Iran adopted a non-conciliatory attitude toward Azerbaijan in almost every issue including the legal status of the Caspian Sea and property rights for exploiting the oil in the disputed areas. This hostility was evidenced recently when Iranian ships and aircrafts chased off Azeri ships from an area claimed by both states on July 23, 2001.¹⁶¹

¹⁶¹"Caspian: Tempers Flare in Iran-Azerbaijan Border Incident," Michael Lelyveld, *Radio Free*

Shortly after its exclusion from the agreement, Iran curtailed the electrical energy to Nakhcivan and drew itself closer to Armenia by concluding a couple of agreements on the energy issue. These agreements decreased the efficiency of the Azerbaijani embargo on Armenia. In June 1995, Iran concluded agreements with Russia to coordinate their policies in the Caspian. This coordination placed unified pressure on Azerbaijan regarding the legal status of the Caspian Sea. In June 1999, the Azeri National Security Ministry accused Iran of spying for Armenia and of training Islamist fighters to undermine the Azeri government. Iran currently harbors the leader of a 1995 troop rebellion in Azerbaijan, Mahir Jevadov, and refuses to extradite him.¹⁶²

Although Aliyev later offered a ten percent share to Iran for developing the Shah Deniz oil field, which Iran eventually accepted in May 1996, this offer did not appease Iran enough to elicit a decent level of cooperation. Iran continues to exhibit a hostile attitude toward Baku. Currently Iran and Azerbaijan have differing views on Russia's role in their region, on Azerbaijan's relations with the United States, on NATO, on Turkey, on the division of the Caspian Sea, and on the proposed route of oil pipelines.¹⁶³

Interestingly enough, Azerbaijan's close relationship with Israel causes another difficulty with Iran. Israel is currently forging ties with Azerbaijan and seeking ways to cooperate in the Baku-Ceyhan pipeline project.¹⁶⁴ Allegedly, under the administration of the Ehud Barak, the Israelis established intelligence links with Azerbaijan, which shares a border with Iran.¹⁶⁵ Iran's then foreign minister, Ali Akbar Velayeti, and his Azeri counterpart at the time, Hasan Hasanov, had sharp exchanges over the friendly relations of Iran with Armenia and of Azerbaijan with Israel during Velayeti's visit to Baku in March of 1996.¹⁶⁶

Europe/Radio Liberty Weekday Magazine-Iran, July 2001

¹⁶²“Turkish Stars Put on a Show in Azerbaijan,” *Turkish Daily News*, August 22, 2001 and

Carol Migdalovitz, “Armenia-Azerbaijan Conflict,” CRS Issue Brief for Congress, received through the CRS Web, June 7 2001, www.fas.org/man/crs/IB92109.pdf, p. 14

¹⁶³ Ibid, p. 15

¹⁶⁴ For a detailed account of Azerbaijani-Israeli relations, see Aras, Bulent, “Post-Cold War Realities: Israel's Strategy in Azerbaijan and Central Asia,” *Middle East Policy*, Vol. 5, No. 4, January 1998

¹⁶⁵ Blanche Ed, “Israel and Turkey Look to Extend Their Influence into Central Asia,” *Jane's Intelligence Review*, August 2001

¹⁶⁶ Alieva, Leila, “The Foreign Policy of Azerbaijan,” Central Asian and Caucasian Prospects, Briefing Paper No. 9, October 1996, through internet [www. Riia.org/Research/rep/bp9.html](http://www.Riia.org/Research/rep/bp9.html)

C. AZERBAIJANI-TURKISH RELATIONS

Relations with Turkey are good but far from being satisfactory for Azerbaijan. Turkey has historic, linguistic, and cultural ties to Azerbaijan, and Turkey was the first state to recognize Azerbaijan on November 9, 1991, before the formal dissolution of the Soviet Union on December 8th. Diplomatic relations between the two countries was established on January 14, 1992. Recognition resulted as much from Turkey's domestic politics, where Turkic pride was ascendant, as from foreign policy considerations, as well as economic, commercial, and cultural ties.¹⁶⁷ Azerbaijan's first post-communist leader, Ebulfaz Elchibey, focused on Turkey as the major conductor of the Western model in the region. He also established a priority of improving relations with Turkey as Azerbaijan's foreign policy

A coup in 1993 created a change of leadership in Azerbaijan. This coup was regarded in Turkey as a Russian-sponsored attempt to replace the pro-Turkish Abulfaz Elchibey with Heydar Aliyev. Most people in Turkey considered Aliyev a Russian tool, considering his past in the Soviet Union as a Politburo member and a devoted communist. For some months after Aliyev took power, a certain cooling in Azerbaijani-Turkish relations occurred. Heydar Aliyev initially tilted heavily toward Moscow, joining the CIS in September 1993 with the hope of swaying Russia to the Azeri side in the Karabagh issue. He cancelled the international oil deal signed by Elchibey, reducing Turkey's shares while increasing those of Russia and allotting some to Iran.¹⁶⁸ However, Aliyev realized the intransigence of the regional powers in the conflict regarding Azerbaijan. He also failed to elicit either Russian or Iranian support in his struggle to isolate Armenia and to force it to a solution without compromising Azerbaijan's independence and territorial integrity.

The continuation of the conflict benefited both Russia and Iran for several reasons. For Russia, the conflict was forming a convenient hotspot for Russian involvement in the region. It was ensuring a Russian presence, as Armenia was willing to

¹⁶⁷ Carol Migdalovitz, "Armenia-Azerbaijan Conflict," CRS Issue Brief for Congress, received through the CRS Web, June 7 2001, www.fas.org/man/crs/IB92109.pdf, p. 14; *Turkish Daily News*, "Turkish Stars Put on a Show in Azerbaijan," August 22, 2001, p. 15

¹⁶⁸ Bazoglu, Duygu Sezer, "From Hegemony to Pluralism: The Changing Politics of the Black Sea," SAIS Review 17.1 (1997) 130, Johns Hopkins University Press, through http://muse.jhu.edu/journals/sais_review/v017/17.1_sezer.html

accommodate Russian troops as long as these troops ensured security for Armenia. In an environment in which its service was no longer needed, Russia would face the risk of losing its only willing foothold in the region against perceived Turkish infiltration. For Iran, a weak and divided Azerbaijan under the poised risk of continuing warfare and ensuing difficulties would ensure Iran's territorial integrity. This would discourage its sizable ethnic Azeri population from seeking to unite with Azerbaijan.

As a result, geopolitical and basic security considerations brought Azerbaijan and Turkey back together. Azerbaijan realized that Turkey was the only country from which Azerbaijan could possibly gain support in the conflict against Armenia. However, Turkish support was not enough for Azerbaijan, considering the active Russian support for the Armenians during the conflict. Turkey's efforts to adopt an impartial stance in the Karabagh issue until 1993 especially frustrated the Azeris. Turkey's permitting the humanitarian aids to pass to Armenia through Turkish airspace was especially disappointing for the Azeris. According to Le Pauw:

Azeri disappointment was highly acute when, in the summer of 1993, the Armenians launched highly successful attacks against their positions in Southern Azerbaijan. Throughout the winter, Turkey had opened its borders to humanitarian aid, which provided Armenia with energy supplies-part of which seemed to have been used for military purposes. In the eyes of many Azerbaijanis, this dealt a strong blow to Turkish credibility and prestige.¹⁶⁹

Another Azeri disappointment came when Armenian forces captured Kelbajar in April of 1993. Unable to evacuate the Azeri civilians from the area, Azerbaijan President Elchibey asked for Turkish helicopters. Turkish Prime Minister Demirel outright refused the request for fear that it could draw Ankara into the conflict and into confrontation with Russia.¹⁷⁰ However, Ankara did suspend relief flights to Yerevan by closing its airspace to such flights.¹⁷¹ In 1993, the Turkish media reported that some retired Turkish military officers were training the Azeri army and that Turkey had extended a \$30 million credit to Azerbaijan. However, these steps fell short of Azerbaijan's expectations. There were

¹⁶⁹ De Pauw, Freddy, "Turkey's Policies in Transcaucasia" from *Bruno Coppieters (ed.) Contested Borders in the Caucasus*, ISBN 90 5487 1172 NUGI 654 D/ 1996 / 1885 / 005, p. 183

¹⁷⁰ Bolukbasi, Suha, "Ankara's Baku-centered Transcaucasia Policy: Has It Failed?" *The Middle East Journal*, Vol. 51, No. 1, Winter 1997

¹⁷¹ *Turkish Probe*, 6 April 1993

several reasons for Turkey's reluctance to commit itself wholly to a conflict that could lead to unknown outcomes. The primary reasons were as follows:

Turkey's Reluctance to Antagonize Russia: This played an important role in the Turkish restraint. Turkey has traditionally perceived Russia as an expansionist state. Russia had relentlessly pursued a policy of expelling the Ottoman Turks from Crimea, the Balkans, the Circassian coast (today's Abkhazia), and other parts of the Caucasus (including Batum, Akhiska, etc.) Russia had also raised the banner of Christian Orthodoxy against Turkish and Muslim rule in these lands. This Russian policy resulted in the massacres and the ultimate evictions of the Muslim populations from these mentioned areas toward Anatolia.¹⁷² The two countries fought nine wars since the time of Peter the First. This fact alone suggests that relations comprise an element of enmity, rivalry and confrontation.¹⁷³ Turkey is home to about five million Turks of Crimean Tatar origin whose ancestors escaped to Turkey during the peak years of the Russian repression.¹⁷⁴ Another five million Turkish citizens are the descendants of North Caucasian peoples who were forced out of their lands by Tsarist Russia in the 19th century.¹⁷⁵ Tsar Nicholas's 1853 appeal to England to carve up "The Sick Man of Europe" once and for all has not been forgotten by the Turkish people.¹⁷⁶ Russia also ultimately sought to capture Istanbul, the capital city of the Ottoman Empire, and the Turkish straits in the past. The outcome of the Russian expansionism affected the ethnic composition of modern-day Turkey, and had a vast impact on Turkey's territorial and sociological evolution. This, in turn, made Turkey suspicious and cautious of Russia. As a result, considering its relative weakness in comparison to Russia and the unfavorable

¹⁷²Bazoglu, Duygu Sezer, "From Hegemony to Pluralism: The Changing Politics of the Black Sea," SAIS Review 17.1 (1997) 1-30, The Johns Hopkins University Press through http://muse.jhu.edu/journals/sais_review/v017/17.1sezer.html

¹⁷³ Ozel, Soli in Middle East Institute Conference on "Turkey and Its Neighbors: Challenges for the Regional Economy," February 18, 1999 through www.mideasti.org/briefs/ozelhb.html

¹⁷⁴ Bazoglu, Duygu Sezer, "From Hegemony to Pluralism: The Changing Politics of the Black Sea," SAIS Review 17.1 (1997) 1-30, The Johns Hopkins University Press through http://muse.jhu.edu/journals/sais_review/v017/17.1sezer.html

¹⁷⁵ Winrow, Gareth M. "Turkey and the Newly Independent States of Central Asia and the Transcaucasus," Middle East Review of International Affairs, Issue 2, July 1997 through www.cc.columbia.edu/sec/dlc/ciao/olj/meria/meria797_winrow.html

¹⁷⁶ Stone, Norman, "Talking Turkey," *The National Interest*, Issue 61, pp. 67-73, Washington, Fall 2000

history of the hostilities, Turkey chose to restrain its policies, if not its rhetoric. The concern of being excluded by its reluctant NATO/Western allies, in case of a confrontation with Russia, also restrained Turkey.

Profitable Commercial Relations with the Russian Federation: This was another restraining factor. Russian trade was an important source of revenue for the Turkish economy and aided its economic growth. In 1992, when the possibility of Turkish involvement in the conflict emerged, the total volume of trade between the two countries ranged between \$3 to \$4 billion, five times larger than Turkey's trade with Azerbaijan and the Central Asian States combined.¹⁷⁷ Including the non-registered trade, the volume of trade between the two countries placed both countries in the second position in their respective overall (for Russia, non-CIS) foreign trade. Turkish firms had penetrated the large Russian market and a considerable Turkish investment was in question. In 1995 alone, trade with Russia amounted to \$ 3.3 billion (excluding unofficial trade which was reportedly equal to the official trade). Over one million Russian tourists were visiting Turkey each year. The total volume of the official trade with all of the Turkic Former Soviet Republics amounted to only \$650 million, showing the importance of the Russian market.¹⁷⁸ Russia was also a source of procurement for weaponry needed to sustain the struggle against the PKK terrorism within Turkey. Given Western arms embargoes and limitations at the time against Turkey, Russia was seen as another source to circumvent western limitations in supplying much-needed essential equipment like helicopters, armed personnel carriers, small arms and ammunition. As a result, Turkey's commercial interests in Russia and the risk of jeopardizing profitable trade links restrained the Turkish policy in the conflict. In addition, Turkey's own internal problems at the time and a weak economy to back up a more assertive foreign policy were limiting Turkish options.

Russian Threats: These threats, including nuclear ones, also had a sobering effect on Turkish desires to intervene. After Armenian forces captured Kelbajar and attacked Fizuli, the risk of a Turkish intervention increased and Turkey massed troops on the

¹⁷⁷ Cornell, Svante E. "The Nagorno Karabagh Conflict," p. 70

¹⁷⁸ Winrow, Gareth M. "Turkey and the Newly Independent States of Central Asia and the Transcaucasus," Middle East Review of International Affairs, Issue #2, July 1997 through www.cc.Columbia.edu/sec/dlc/ciao/olj/meria/meria797_winrow.html

Armenian border in April 1993. Then, Commander-in-Chief of the joint armed forces of the CIS, Marshal Shaposhnikov, warned of a “Third World War” if Turkey were to interfere militarily in the Armenian-Azerbaijani conflict.”¹⁷⁹ David S. Yost reminds the nuclear dimension:

Turkish efforts to gain influence in Islamic areas of the former Soviet Union alarmed Russia enough for it to take countermeasures in 1992-93: Russia began to amass forces and leverage to become the sole and decisive arbiter of the Nagorno-Karabakh war and to defeat Turkey’s grand designs . . . Moscow aided insurgents against an anti-Moscow Azeri government, supported the Armenian forces fighting Azerbaijan, and deterred, by nuclear threats, any Turkish plans to act on behalf of Baku . . . Such reports of vague nuclear threats against Turkey by Russian military officers or civilian officials have gained little public attention in the West.¹⁸⁰

A Highly Effective and Influential Armenian Diaspora in Europe and the U.S: This was another Turkish concern. Armenians’ highly effective propaganda methods had worked effectively until then to promote Armenian claims, regardless of the nature of truth. These groups could manage to pressure Turkey through their governments and they could threaten to further undermine Turkish credibility and prestige in Western countries.

Turkey’s Ties with NATO as a Restraining Factor: In addition, Turkey’s dependence on western capital, technological and military support practically ruled out a Turkish policy to outright antagonize these western powers that were positively predisposed toward Armenia.

Traditional Kemalist Foreign Policy: This policy cautioned against foreign adventurism. This cautious approach to outside events had been formed after experiencing the painful collapse of the Ottoman Turkey owing to their adventurous Pan-Turkish rulers at the time.

The Perceived Hostility of the Western and Other Regional Powers: Turkey was cautious of provoking negative reactions from these powers. The Turkish perception that western powers constituting the international community were not sympathetic toward

¹⁷⁹ Trenin, Dmitri, “Russia’s Security Interests in the Caucasus Region,” from “ Bruno Coppieters (ed.) Contested Borders in the Caucasus” p. 97 and Aves, Jonathan, *Post Soviet Transcaucasia*, p. 189

¹⁸⁰ Yost, David S. *NATO Transformed*, United States Institute of Peace Press 1998, p. 86

Turkey restricted Turkish involvement. This hostility was evidenced by the reactions against the Turkey's intervention in Cyprus in 1974. Turkey had intervened in Cyprus to stop an ethnic cleansing perpetrated by the Greek majority against the Turkish minority. Turkey had a guarantor status to protect the Turkish minority on the island, as afforded by Zurich and London Treaties, in 1956 and 1958 respectively. In addition, the radical Greeks had attempted to annex the island to Greece, as a flagrant violation of international agreements signed to create an independent Cyprus. A military junta was governing Greece, which was sponsoring the social unrests in the Cyprus at the time. Turkey was, conversely, the staunchest ally of the U.S at the time, compared to Greece. Despite all these facts and the legitimacy of the ensuing Turkish intervention to stop the ethnic cleansing in Cyprus, Western powers (including the U.S) reacted sharply against Turkish intervention. This western reaction gave Turks the perception that Western powers were biased in cases involving a Christian and a Muslim state, however justified the Muslim side could be.

These multiple factors were highly influential in molding Turkish attitude on this conflict. Nevertheless, there were some benefits of the Turkish connection to Azerbaijan. Turkey supported the position and actions of Azerbaijan in Nagorno-Karabagh conflict. It offered diplomatic and political assistance to Azerbaijan in United Nations, in the Islamic Conference Organization, in NATO and at the meetings of the OSCE Minsk Group, accompanying but not participating in the dispute. Turkey supported, facilitated, and secured Azerbaijan contacts with the United States and other western powers by using their interest in the Caspian oil.¹⁸¹

D. AZERBAIJANI-U.S RELATIONS

Relations with the United States are complicated and in its current form, not satisfactory for Azerbaijan. Azerbaijan sees improved relations with the U.S as leverage against Russia and its ally in the region, Armenia. Azerbaijan seeks to improve western involvement in Azerbaijan commercially and politically. Baku believes that US objectives in the region will promote political and economic independence and ensure that Caspian oil does not come under the sole control of Russia. Moreover, Azerbaijan's ability to survive as an independent state and to build democratic institutions will largely

¹⁸¹ Blandt, C W. "The Impact of Baku Oil on Nagorny Karabakh," Conflict Studies Research Center (www.ppc.pims.org/Projects/csrc/s33.htm)

depend upon the western presence in Azerbaijan.¹⁸² Actually, Leila Aliyeva, an Azeri scholar, summarizes the motives behind Azerbaijan's western orientation. She contends that President Aliyev preferred a balanced foreign policy, which was the only means of survival for an independent and weak state surrounded by countries with strong and opposing interests. Aliyev developed relations with the West based on an awareness of realpolitik with regard to the west and the United States:

The example of the Gulf War and the determination of the U.S to protect its economic interests, regardless of the level of democracy in the country concerned, demonstrated clearly the motivation of the West toward its more active concern and involvement in the events in the region.¹⁸³

However, the nature of the relations between the U.S and Azerbaijan are not in conformity with Azerbaijan's desires. Thomas and Schull describe the U.S policy toward Azerbaijan:

Washington has two foreign policies toward the region, one pro-Azeri, the other anti-Azeri. The pro-Azeri belongs to the administration, which listens to the oil companies. The anti-Azeri belongs to Congress, which listens to the Armenian lobby.¹⁸⁴

This conflicting U. S approach evolved shortly after the dissolution of the Soviet Union in 1991 when American interests in the region were perceived to be very low. The oil companies were much more interested in the region than the U.S. government, which tended to see the newly independent states as a Russian sphere of influence. The U.S. government had many other concerns with Moscow (regarding the fate of the Soviet nuclear arsenal, the possibility of a resurgence of communism, etc.) As a result, the U.S administration did not want to risk Russian cooperation on key issues by challenging Russia's influence in the region. For this reason, Washington did not desire a leadership role in settling the Karabagh conflict, despite the active U.S. role in conflicts in other parts of the world, such as Iraq, Somalia, Bosnia, and later on in Kosova. Because the Caucasus was perceived as unimportant for vital U.S interests, Armenian-Americans

¹⁸² Nuriyev, Elkhan, "The Ongoing Geopolitical Game in the Caucasus and the Caspian Basin," (cns.miis.edu/cres/nuriyev.htm)

¹⁸³ Aliyeva, Leila, "The Foreign Policy of Azerbaijan," Central Asian and Caucasian Prospects, Briefing Paper No. 9, October 1996 through www.riia.org/Research/rep/bp9.html

¹⁸⁴ Thomas, Timothy and Shull, John, "Russian National Interests and the Caspian Sea," (www.mfa.gov.tr/grupa/percept/IV-4/thomas_schull.htm)

influenced the indifferent U.S administration and the Congress over the policies in the region, especially regarding the Armenia and inevitably the Azerbaijan. The U.S government was not actively seeking an impartial role in solving this conflict. Congress was left to the influence of lobbyists and as a result, Section 907 of the Freedom Support Act was introduced in the fall of 1992. This act was initially intended to facilitate economic and humanitarian aid to the former republics of the Soviet Union, hoping it would help stabilize democratic forms of government and foster economic growth. All 15 former Soviet Republics were eligible for assistance with the exception of Azerbaijan. The Armenian government has received more than \$1 billion in aid under this legislation since 1992 while Azerbaijan received none (except the subsequent \$80 million released by the Clinton administration.)¹⁸⁵ The clause restricting aid to Azerbaijan reads as follows:

United States assistance under this or any other Act . . . may not be provided to the Government of Azerbaijan until the President determines, and so reports to the Congress that the Government of Azerbaijan is taking demonstrable steps to cease all blockades and other offensive uses of force against Armenia and Nagorno-Karabakh¹⁸⁶

Azerbaijan widely criticized the outcome of this act. Azerbaijan claimed that the Armenians were the aggressors in the conflict, but Azerbaijan was punished instead by this act. Armenia had occupied almost 20 percent of Azerbaijani territory and had displaced one million Azerbaijani refugees. These refugees were still homeless, but Washington, due to this Section 907 adopted under the influence of an ethnic lobby, could not send humanitarian aid to Baku. The freedom support act was perceived to reward the aggressor not the victim. Subsequent U.S administrations opposed the section 907 because it impeded the ability of the U.S to pursue its goals in the region. This act also impeded the U.S to act as an honest broker in the Karabagh Conflict, considering the fact that the U.S was one of the three co-chairs of the Minsk group that was supposed to resolve the conflict. Some modifications to the Freedom Support Act, Section 907, were

¹⁸⁵ Maresca, John J, Ambassador, First U.S. Mediator for the Nagorno-Karabakh Conflict, "U.S Ban on Aid to Azerbaijan: How It Started and Why It Should Be Lifted," *Azerbaijan International*, Winter 1998

¹⁸⁶ Restriction on Assistance to Azerbaijan (Title 9: Section 907), Maresca, John J. "U.S Ban on Aid to Azerbaijan: How It Started and Why It Should Be Lifted," *Azerbaijan International*, winter 1998

made during the Clinton administration in 1996.¹⁸⁷ Under the current form of the act, it is now possible for the United States to provide Azerbaijan direct government-to-government assistance as humanitarian aid and in democracy building. The U.S Trade and Development Agency, the Eximbank, and similar institutions can also operate in Azerbaijan.¹⁸⁸ The United States provided a total of \$80 million aid to Azerbaijan since its independence. By contrast, Armenia received over a billion dollars, although its population is roughly one-half that of Azerbaijan.¹⁸⁹ The Armenian lobby successfully blocked the Azeri attempts to have this act waived altogether in the U.S Congress during the Clinton administration.

E. CONCLUSIONS

Azerbaijan has enjoyed economic and political stability only after the election of Heydar Aliyev, a former KGB general and Politburo member, owing to his Soviet-style skills of authority. However, Aliyev is almost 80 years old and suffers from heart disease. Azerbaijan does not have state experience or an institutionalized succession mechanism coupled with a democratic tradition. There are already allegations about irregularities in previous elections held so far (the 1995 and 2000 parliamentary elections, and the 1998 presidential election.) These elections supposedly gave Aliyev and his political party the majority of the votes in the parliament.¹⁹⁰ Azerbaijan's geopolitical position also exposes it to foreign meddling in the process of succession. Two neighboring countries, Russia and Iran, have their own puppet president candidates lurking in wait for the inevitable power struggle to engulf the succession process after Aliyev. Considering the fact that two former presidents (Ayaz Muttalibov and Ebulfaz Elchibey) were toppled by force and that Aliyev himself survived several coup attempts, Aliyev's passing away may cause serious civil disarrays in the country. Heydar Aliyev is also among the few current

¹⁸⁷ Goltz, Thomas, "Catch-907 in the Caucasus," *The National Interest*, Issue 48, Summer 1997, Washington

¹⁸⁸ Swietochowski, Tadeusz, "Azerbaijan: Perspectives from the Crossroads," *Central Asian Survey*, Vol. 18, No. 4, December 1999

¹⁸⁹ "U.S Admits Ban on Aid to Azerbaijan Was Wrong from Beginning," *Turkish Daily News*, October 2, 1997

¹⁹⁰ Cornell Svante, "Democratization Falters in Azerbaijan," Johns Hopkins University, Journal of Democracy, Vol. 12, Issue 2, 2001 through http://muse.jhu.edu/journals/journal_of_democracy/v012/12.2/cornell.html and *The Economist*, "Europe: What Next?" Anonymous, Vol. 357, Issue. 8197, 11 November 2000

Azeri politicians who openly expressed his resolve to solve the Karabagh conflict through peaceful means. A radical change in Azerbaijani leadership may cause major shifts in regional security, exploitation of region's oil reserves, and the emerging constellation of states in the region.

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V. OIL AND PIPELINE ISSUES

This chapter examines the effects of the proposed oil pipelines to be built to transport the Caspian oil. This oil will be extracted in Azerbaijan under an agreement concluded in November 1994 between the Azerbaijani government and foreign oil companies. The possible pipeline routes to be chosen to transport this oil is a matter of fierce competition between the parties involved in oil production.

To better evaluate the effects of the Caspian oil on the Karabagh Conflict, some background information on the Caspian region and its mineral resources will be helpful. The Caspian basin contains large deposits of oil and natural gas that attract the attention of international oil companies and their governments. The region has already received foreign investments to exploit its mineral wealth. As a result, the Caspian region is likely to be an arena for regional powers competing with each other to secure a portion of the oil revenues in a perceived new “great game” with its zero-sum character. This increased interest and investment of Western companies in the region can potentially affect the Karabagh conflict and Turkey’s role in the Caucasus region.

The Caspian region is a land-locked area. Therefore, pipelines are needed to transport the oil to international markets. Two pipeline routes have already been chosen for the early oil. Azerbaijan is currently using these routes even before the completion of investment projects. However, the main element of the competition is the route to be chosen for the main export pipeline, which will be used in transporting the oil after the investment projects have been completed and the capacity to extract the oil has been dramatically increased. The main pipeline routes under consideration are

- Baku-Novorossiysk (Russia) via Turkish Straits
- Baku-Novorossiysk (Russia) in connection with Burgaz (Bulgaria)-Alexandropolis (Greece) pipeline (transcending the Straits)
- Baku-Supsa (Georgia) via the Turkish Straits
- Baku-Batumi (Georgia) via the Turkish Straits
- Baku-Ceyhan (Turkey) avoiding the Turkish Straits

Currently, Baku-Novorossiysk (via the Straits) and the Baku-Supsa lines are used to transport the early oil. An investment of \$50 million for the Baku-Novorossiysk line¹⁹¹ and \$250 million for the Baku-Supsa line¹⁹² was spend to overhaul these pipelines. These two routes have a combined capacity of 200,000 b/d, which is insufficient to carry the oil after all the major oil exploitation projects are completed. These two lines were built to carry the initial volumes of oil to the world markets.¹⁹³ A main pipeline, capable of carrying one million b/d, would be needed to transport the oil after the completion of all the major projects.¹⁹⁴ The strongest contenders for the main export route are the Baku-Novorossiysk and the Baku-Ceyhan lines. The Baku-Novorossiysk line is economically more competitive compared to the Ceyhan route and is supported by Russia. Its cost is estimated around \$2.2 billion without considering a proposed Burgaz-Alexandropolis detour line, which would cost between extra \$700 million to \$1.43 billion.¹⁹⁵

The Baku-Ceyhan line is the other likely contender, with strong U.S and Turkish support behind it. The Turkish government puts the estimated cost at around \$2.4 billion, but independent sources contend that the cost would probably exceed \$3 billion.¹⁹⁶ After some basic engineering studies conducted in May of 2001, the estimated cost was revised to approximately 2.9 billion.¹⁹⁷ The U.S, Turkey, Azerbaijan, and even Kazakhstan favor this route for various reasons that will be elaborated later in this chapter.¹⁹⁸ However, the cost of the project is its main disadvantage.

¹⁹¹ Nasibzade, Nasib and Daneshgar Shahyar, "The Independent Azerbaijan's Oil Policy," Lecture at the University of California at Berkeley, April 15, 1998 (received through internet www-scf.usc.edu/~baguirov/azeri/nasibzade1.html)

¹⁹² Nuriyev Elkhan E. "The Ongoing Geopolitical Game in the Caucasus and the Caspian Basin: Toward War or Peace?" The Center for Russian and Eurasian Studies (www.cns.miis.edu/cres/nuriyev.htm)

¹⁹³ Cordesman, Anthony H. "The US Government View of Energy Developments in the Caspian, Central Asia, and Iran," CSIS (Center For Strategic And International Studies) report, April 27, 2000

¹⁹⁴ Ibid.

¹⁹⁵ Shorokhov, Vladislav "Energy Resources of Azerbaijan: Political Stability and Regional Relations," *Caucasian Regional Studies*, Issue 1, 1996 (www.poli.vub.ac.be/publi/crs/eng/0101-04.htm)

¹⁹⁶ AIOC president John Leggate announced just before leaving office that the average cost of the Baku-Ceyhan route would be \$3.7 billion. Turkish and American officials, however, rejected this estimate. (Www.mfa.gov.tr/grupa/percept/IV-4/nassibli.htm)

¹⁹⁷ "Baku-Ceyhan Will Be Completed by 2005," *Turkish Daily News*, June 6, 2001

¹⁹⁸ Kazakhstan President Nursultan Nazarbayev was among the leaders that signed the Ankara Declaration supporting the Baku-Ceyhan Pipeline project in October 1998. In accordance with the agreement signed in Washington between the Oil companies, Mobil, Shell, Chevron, and Kazakhstan State Oil Company started preparations of sub-sea oil and gas pipeline projects to be connected with the Baku-



Figure 4. Pipeline Routes

A. RUSSIA'S ROLE IN THE CASPIAN REGION

As mentioned earlier, Russia considers the region in its own sphere of influence. Numerous allegations of Russian involvement in the coup attempts and separatist movements in the region are evidence to that desire.¹⁹⁹ Russia fears that a southern route (namely the Baku-Ceyhan route that would not pass through Russian territory) would decrease its influence in the South Caucasian states. As these states gain their economic independence and as western companies get increasingly involved, Russia fears it will eventually lose its remaining influence over the region.

Any route that detours Russian territory would also deprive Russia of transit fees. Transit fees are important for Russia as hard currency because its economy is in disarray and direct foreign investments are in sharp decline. Another less articulated Russian concern is that the appropriation of the mineral wealth would not benefit its only willing ally in the region, namely Armenia. Armenia naturally supports the Baku-Novorossiysk

Ceyhan line. (Source: Nassibli, Nassib, "Azerbaijan's Geopolitics and Oil Pipeline Issue," *Perceptions, Journal Of International Affairs*, Vol. 4, No. 4, December 1999- February 2000)

¹⁹⁹ Aras, Bulent and Foster, George, "Turkey and Azerbaijani Oil Controversies: Looking for a Light at the End of the Pipeline," (www.biu.ac.il/SOC/besa/meria/books/azerbaijan.htm); Blank, Stephan "Russia and Europe in the Caucasus," *European Security*, Vol. 4, No. 4, Winter 1995, p. 624; Hale, Henry E. "Independence and Integration in the Caspian Basin" *SAIS Review* 1999, (http://muse.jhu.edu/journals/sais_review/v019/19.1hale.html)

route for fear that Azerbaijan could use its mineral wealth to improve its military without Russian control (a northern pipeline through Russia's territory).

Despite Russia's desire to pass the pipelines through its territory, Russia seemed to lack consistency over the pipeline issues. The Russian stance in the issue was a matter of controversy between the business interests and the Russian foreign ministry. After the signing of the agreement between Azerbaijan and the foreign oil companies (the largest one being British), the Russian Foreign Ministry rejected that agreement as invalid. Russians claimed that Baku had no right to conclude an agreement unless the riparian states agreed and Russia approved the status of the Caspian Sea. Russia sent a diplomatic demarche to Great Britain, stating that any oil agreements about the exploitation of Caspian oil could not be recognized without Russian approval. However, Russia's largest oil company, Lukoil, participated in the agreement between Azerbaijan and the foreign oil companies, while the Russian Energy Minister attended the signing ceremony. Lukoil, as part of the oil consortium to develop the Azeri oil, took a ten percent share in the deal.²⁰⁰

The Russian demarche to Great Britain stated that:

The Caspian Sea is an enclosed water reservoir with a single ecosystem and represents an object of joint use within whose boundaries all issues or activities including resource development have to be resolved with the participation of all the Caspian countries . . . any unilateral actions are devoid of a legal basis.²⁰¹

The address of the letter to London, instead of Baku, could well be taken as a Russian disregard of Azerbaijan's independence and sovereignty, by dismissing Azerbaijan as a party to a disagreement where its vital interests were at stake.

²⁰⁰ Blank, Stephan "Russia and Europe in the Caucasus," *European Security*, Vol. 4, No. 4, winter 1995, p. 622; Forsythe, Rosemarie, "The Politics of Oil in the Caucasus and Central Asia," ADELPHI paper 300, IISS Oxford University Press, p. 16 and pp. 29-30; Nasibzade, Nasib and Daneshgar Shahyar, "The Independent Azerbaijan's Oil Policy," Lecture at the University of California at Berkeley, April 15, 1998 (received through internet www-scf.usc.edu/~baguirov/azeri/nasibzade1.html)

²⁰¹ Lyod, John "Moscow Claims Caspian Energy Deals Veto," *Financial Times*, November 9, 1994, p. 3

B. LEGAL STATUS OF THE CASPIAN SEA

The Russian attempts to challenge the legal status of the region can be regarded as part of the “carrot-stick diplomacy.” Russia’s goal was to be included in the projects that it was initially excluded from by using rewards and punishments accordingly. Given the results Russia achieved, it can be claimed that the Russian diplomacy worked successfully. With the demarche sent to Great Britain and then sent to the United Nations General Assembly, Russia continued denying the “sea” classification of the Caspian. Russia claimed that the Caspian was an enclosed sea reservoir,²⁰² specifically a lake, which should be exploited equally. According to the 1982 UN Convention on the Law of the Sea (which became effective in November 1994),²⁰³ countries bordering a sea have the legitimate right to claim sovereignty within 12 miles of the sea from the coast. These countries are also entitled to exploit resources economically within an extra 200 miles starting from the end of its territorial waters (a total of 212 miles). If a body of water is not a sea, then it is by default considered a lake. According to the Convention on the Law of the Sea, the riparian states bordering a lake should exploit the lake’s resources collectively.²⁰⁴

However, this convention neither defined a sea nor a lake. This lack of clarity on definitions is the main disagreement between the Caspian states. Russia claimed that according to agreements it struck with Iran in 1921 and in 1940, the Caspian was considered a lake and an internal water basin of these two countries. Accordingly, foreign navies had to be excluded from the Caspian and its fishing resources had to be equally shared. Russia put forth this agreement on exploiting fishing rights equally and excluding foreign navies, and it had claimed since 1991 that foreign oil companies could not develop the Caspian oil without the consent of all the Caspian states. Furthermore, according to Russia, the agreement with Iran mandated that these oil resources had to be shared equally.²⁰⁵

²⁰² Aras, Bulent and Foster, George “Turkey and Azerbaijani Oil Controversies: Looking for a Light at the End of the Pipeline” (www.biu.ac.il/SOC/besa/meria/books/azerbaijan.htm)

²⁰³ Shimizu, Manamu, “The Caspian Basin Oil and Its Impact on Eurasian Power Games” Institute of Developing Economies (Tokyo) Spot Report, June 1998 p. 9

²⁰⁴ Cordesman, Anthony H. “The US Government View of Energy Developments in the Caspian, Central Asia, and Iran,” CSIS (Center For Strategic And International Studies) report, April 27, 2000 p. 22

²⁰⁵ Bolukbasi, Suha “The Controversy over the Caspian Sea Mineral Resources: Conflicting

Countries that would lose most from the Russian interpretation, Azerbaijan and Kazakhstan, objected to these Russian claims. They maintained that the Caspian was an enclosed sea and had to be divided to national sectors accordingly. They contended that Russia itself did not conform to the claimed agreement, and that it engaged in unilateral oil production without giving Iran a share in it or asking for Iranian permission. Azerbaijan and Kazakhstan also claimed that the division of the Soviet part of the Caspian by the former USSR Oil Industry Ministry should be taken as a legal precedent. Since 1975, the Soviet Republics of Azerbaijan, Kazakhstan and Turkmenistan were drilling for oil in their own parts of the Caspian, which the Soviet Oil Ministry divided between them until the Union collapsed.²⁰⁶



Figure 5. Caspian Sea

Perceptions, Clashing Interests," *Europe-Asia Studies*, Vol. 50, No. 3, May 1998

²⁰⁶ Ibid.

Russia modified its initial stance on the status issue in November of 1996 at a meeting between the foreign ministers of the states bordering the Caspian. This time, Russia proposed that it would recognize a 45-mile economic zone of littoral states from the shore and would be willing to negotiate, on a case-by-case basis, the status of the oil fields currently developed off that 45-mile limit. All the remaining deposits would be regarded as common and would be developed jointly by a commonly owned company. On the same day of the proposal, Iranian, Turkmen and Russian ministers signed a declaration supporting this new proposal, but Azerbaijan and Kazakhstan rejected the proposal.

Turkmenistan changed its position on the legal status of Caspian several times. It supported the Kazakh-Azeri position against the Russian-Iranian proposal in February 1997, when it signed a statement with Kazakhstan calling for dividing the Caspian according to national sectors. Turkmenistan also signed a similar statement with Azerbaijan in 1998, but these two states could not agree on the dividing line between their respective national zones. Consequently, they now have overlapping sovereignty claims on an oil field named “Kyapaz” by the Azeris and “Serdar” by the Turkmen.²⁰⁷ Azerbaijan also has a similar dispute with Iran. However, Russia and Kazakhstan has signed an agreement in July 1998, dividing the northern Caspian seabed between themselves along the median lines with joint fishing, shipping and environmental ownership rights.²⁰⁸ The final solution on the legal status of the Caspian, which would be acceptable to all of the riparian states, is yet to be seen.

C. IRAN’S ROLE IN THE CASPIAN REGION

Iran opposed the Baku-Ceyhan pipeline route rather than support the Baku-Novorossiysk line directly because it expected the pipelines to traverse its own territory. The Iranian motive for opposing the Baku-Ceyhan route was to restrict the U.S presence and to restrict the increasing Turkish influence in the region. Iran initially wanted to participate in the oil projects. After Azerbaijani President Aliyev adopted a more inclusive attitude and his predecessor, Elchibey, toppled, Iran was eager to cooperate in

²⁰⁷ Kochumov, Yagmur, “Issues of International Law and Politics in the Caspian in the Context of the Turkmenistan-Azerbaijan Discussion and Fuel Transport, ” (<http://ourworld.compuserve.com/homepages/usazerb/422.htm>)

²⁰⁸ Cordesman, Anthony H. “The US Government View of Energy Developments in the Caspian, Central Asia, and Iran,” CSIS (Center For Strategic And International Studies) report, April 27, 2000 p.23

the Caspian region, anticipating economic benefits. Aliyev promised to transfer five percent of Azerbaijan's share in the AIOC (Azerbaijan International Operating Company) to Iran, but the United States blocked this move. After this experience, Iran turned hostile to the foreigner exploitation of oil and repeatedly denounced the western presence in the region. Iran also used an increasingly threatening tone toward Azerbaijan after Iran's exclusion from the AIOC.

Iran, accordingly, sided with Russia on the legal status of the Caspian Sea and insisted that the Caspian should be regarded as a lake with collective exploitation rights for the littoral states. Iran claimed that the Soviet-Iranian agreements of 1921 and 1940 were valid, and further claimed that all littoral states had to be asked for approval on current oil projects until the final status was agreed upon. Iran's foreign minister said, after the exclusion of Iran from the corporate oil company (AIOC), that the Caspian States had not decided on a legal framework to tap the region's energy resources, and as a result, the agreement recently concluded was invalid.²⁰⁹

Azerbaijan then attempted to appease Iran by including it into other oil projects not developed by the AIOC.²¹⁰ Nevertheless, this did not suffice to soothe Iranian resentments over exploiting the Caspian reserves. For instance, disagreements between Iran and Azerbaijan over the ownership of two oil fields flared up in July 2001 when an Iranian gunboat and a military aircraft chased two Azeri research vessels hired by a British oil firm from oil fields, which both sides claimed.²¹¹

D. TURKISH/U.S POSITION IN THE REGION

Turkey and the U.S prefer a southern route for the pipelines. The main considerations for such a choice are to help consolidate the independencies of the Southern Caucasian States and to curb Russian influence in the region. Encouraging a western orientation and containing religious fundamentalism in the area are other goals. A southern pipeline route would increase Turkish influence not only in the South Caucasian states but also in the Central Asian Turkic Republics. Instead of a pipeline

²⁰⁹ Aras, Bulent and Foster, George, "Turkey and Azerbaijani Oil Controversies: Looking for a Light at the End of the Pipeline" (www.biu.ac.il/SOC/besa/meria/books/azerbaijan.htm)

²¹⁰ Azerbaijan afforded Iran a ten-percent share in the development of an oil field (Shah deniz) not covered by the November 1994 agreement between Azerbaijan and foreign oil companies.

²¹¹ "Azerbaijan Tells Iran Not to Use Force in the Caspian," *Turkish Daily News*, August 30, 2001

passing through a possibly resurgent Russia, a southern pipeline through Turkey (a NATO member) would enable the safe transportation of oil to the world markets.

Turkey has various reasons to support the Baku-Ceyhan route. Turkey wants to increase its ties with Central Asian Turkic States and Azerbaijan by creating a concrete link. Turkey also wants to decrease the dependence of Turkic states on Russia for energy supplies. Another Turkish aim is to provide for its own increasing energy demands by diversifying its sources through the Baku-Ceyhan pipeline. Gaining hard currency from transit fees and preventing increased sea traffic in already over-burdened Turkish Straits are also Turkish goals. Other less articulated motives are to compensate for the losses Turkey suffered due to its closed pipeline with Iraq and to retain Turkey's importance as an energy corridor in the Western camp.

In the early 1990s, the U.S was rather tentative about becoming involved in the Caspian region for fear of antagonizing Russia. The U.S tacitly accepted the Russian position in the Caucasus for fear that increased tensions with Moscow would provoke Russia into resurgence and would jeopardize cooperation on critical issues, such as nuclear nonproliferation. Nevertheless, as tension grew with the NATO enlargement, the U.S assumed a more active role in the region. Madeleine Albright announced in September of 1994 that the U.S did not recognize Russia's special role in the Caucasus.²¹² The U.S also applied pressure to rule out a possible oil pipeline route through Iranian territory for obvious reasons and in turn supported the Baku-Ceyhan pipeline route.

E. OIL RESERVES AND AGREEMENTS IN THE CASPIAN REGION

Proven oil reserves in the Caspian region are 16 to 32 billion barrels and possible reserves are estimated around 162 billion barrels (a quarter of the total middle-eastern oil reserves). The region also contains huge amounts of natural gas (236 to 337 trillion cubic feet proven and another 300 trillion possible.)²¹³ Most of these reserves have not been exploited so far.

²¹² Nassibli Nassib "Azerbaijan's Geopolitics and Oil Pipeline Issue," (www.mfa.gov.tr/grupa/percept/IV-4/nassibli.htm) and Shorokhov, Vladislav, "Energy Resources of Azerbaijan: Political Stability and Regional Relations" (poli.Vub.ac.be/public/crs/eng/0101-04.htm)

²¹³ Cordesman, Anthony, "The US Government View of Energy Developments in Caspian, Central Asia, and Iran," Center for Strategic and International Studies, April 27, 2000; Sasley, Brent "Turkey's Energy Politics in the Post-Cold War Era," (www.biu.ac.il/SOC/besa/meria/journal/1998/issue4/jv2n4a4.html)

There are, however, problems over the ownership of some areas that contain hydrocarbon reserves. There are still ongoing disagreements, for example, between Turkmenistan and Azerbaijan over the ownership of two out of three oil sites, which were included in oil exploitation agreements concluded between Azerbaijan and the Western oil companies.²¹⁴

In September 1994, the Azerbaijan state oil company SOCAR and ten foreign oil companies signed an \$8 billion agreement, known as the deal of the century,²¹⁵ to develop the Azeri, Chirag, and Guneshli fields. These three oil fields were believed to contain 3.7 to 5 billion barrels of oil.²¹⁶ A consortium named the AIOC (Azerbaijan International Operating Company) was formed to exploit these fields for thirty years, with an estimated \$80 billion oil revenue, 80 percent of which would belong to the Azerbaijan. Current shares in the consortium are

- AMOCO (US) 17.01%; PENNZOIL (US) 9.8%; UNOCAL (US) 9.52%; EXXON (US) 5%; MCDERMOTT (US) 2.45%;
- BP (UK) 17.12 %; RAMCO (UK) 2.08%; STATOIL (Norway) 8.56%;
- SOCAR (Azerbaijan) 10%; TPAO (Turkey) 6.75%;
- LUKOIL (Russia) 10%; DELTA (Saudi Arabia) 1.68%;

Originally, SOCAR was to hold a 20 percent ownership in the AIOC, but later transferred its five percent shares to the Turkish TPAO and American EXXON.²¹⁷ Azerbaijan also concluded some other contracts concerning the development of its oil resources. In May of 1996, Azerbaijan concluded a \$ 1.2 billion contract for developing the Karabagh oil field, which was believed to contain 900 million barrels of oil. With the

²¹⁴ Kochumov, Yagmur “Issues of International Law and Politics in the Caspian in the Context of the Turkmenistan-Azerbaijan Discussion and Fuel Transport,” <http://ourworld.compuserve.com/homepages/usazerb/422.htm>) and Shimizu, Manamu “The Caspian Basin Oil and Its Impact on Eurasian Power Games,” Institute of Developing Economies (Tokyo) Spot Report, June 1998 pp. 11-12

²¹⁵ The official name of the agreement is as follows: “Agreement on the Joint Development and Production Sharing for the Azeri and Chirag Fields and the Deep Water Portion of the Gunashli Field in the Azerbaijan Sector of the Caspian Sea”

²¹⁶ Cordesman, Anthony, “The US Government View of Energy Developments in the Caspian, Central Asia, and Iran,” Center For Strategic and International Studies, April 27, 2000, p. 5 and Shimizu, Manamu, “The Caspian Basin Oil and its Impact on Eurasian Power Games,” Institute of Developing Economies (Tokyo) Spot Report, June 1998, p. 13

²¹⁷ Shimizu, Manamu, “The Caspian Basin Oil and its Impact on Eurasian Power Games,” Institute of Developing Economies (Tokyo) Spot Report, June 1998 p. 14

contract, the CIOC (Caspian International Operating Company) was formed. Its shares were

- LUKAGIP (LUKOIL/AGIP joint venture, Russia/Italy) 50%;
- LUKOIL (Russia) 7.5%; AGIP (Italy) 5%;
- PENNZOIL (US) 30%; SOCAR (Azerbaijan) 7.5%;

In June of 1996, another US\$ 4 billion contract was signed to develop the Shah Deniz fields, which were believed to contain 1.8 billion barrels of oil. The shares of this consortium were

- LUCOIL (Russia) 10%; National Iranian Oil Company (Iran) 10%;
- BP (UK) 25%; STATOIL (Norway) 25.5%; ELF (France) 10%;
- SOCAR (Azerbaijan) 10%; TPAO (Turkey) 10%;

In December of 1996, another contract worth \$1.5 billion was signed to develop 150 million tons of oil and 50 billion cubic meters of gas in Dan Ulduzu and Ashrafi fields for a 25-year period. Shares for the contract were

- AMOCO (US) 30%; UNOCAL (US) 25.5%; ITOCHU (Japan) 20%; 4.5%;
- SOCAR (Azerbaijan) 20%; DELTA (Saudi Arabia);

Lastly in January 1997, a 30-year, \$2 billion project to develop 100 million tons of oil was signed. Companies taking part were

- ELF Aquitaine (France) 40%; DEMINEX (Germany) 10%;
- PETROFINA (Belgium) 5%; OIEC (Iran) 10%;

F. BAKU-CEYHAN ROUTE AND TURKISH VIEWS

As stated previously, when the fields mentioned above are developed to their full capacity, a main pipeline route will be needed to transport the oil to world markets. Currently, the Baku-Ceyhan route has the advantage owing to U.S support. In May 1998, former U.S energy secretary, Federico Pena, reiterated the U.S support for the Baku-Ceyhan route during a visit to Turkey in October of 1998. Presidents of Azerbaijan, Georgia, Kazakhstan, and Uzbekistan signed the Ankara Declaration, supporting the Baku-Ceyhan route.

In August of 1999, officials from Turkey, Azerbaijan, and AIOC representatives announced that they would begin a new round of talks on the pipeline project. In April of

1999, Turkish and Azerbaijani officials and U.S special advisor for Caspian Energy (Richard Morningstar) signed the Istanbul protocol to accelerate talks on the pipeline.²¹⁸ In November of 1999, at the Istanbul OSCE summit, presidents of Turkey, Azerbaijan, and Georgia signed an agreement in the presence of U.S President Bill Clinton, supporting the Baku-Ceyhan route. Nevertheless, all these were political maneuvers and the AIOC would choose the main export route according to various criteria, in which cost was a serious consideration. The Baku-Ceyhan route is more costly compared to the Novorossiysk route, but it also has its own advantages. Turkish arguments supporting the Baku-Ceyhan are as follows:²¹⁹

- Turkey itself needs oil and can buy a considerable percentage of the oil that would flow through the pipeline. Oil provides nearly half of Turkey's energy needs. Turkey consumes 30 million tons of oil each year and this figure is expected to increase to 40 million by the year 2010. Approximately, 90 percent of the oil Turkey consumes is imported from abroad (mainly from the Gulf states and Russia.) Primarily the Baku-Ceyhan line could meet increasing Turkish demand and Turkey could purchase the oil in hard currency.
- Turkey is ready to negotiate the financing of the pipeline if necessary. Turkey believes that the pipeline is financially competitive. Nevertheless, Turkey proposes to cover the overrun, if the project exceeds the anticipated cost.²²⁰
- Turkey is offering the lowest transmission fees compared to the other routes. Currently, the Caspian Pipeline Consortium of Russia (CPC) is charging \$3.25 per barrel to transport Kazakh oil to the Russian Black Sea port of Novorossiysk. If Azeri oil is included in that proposed pipeline, the price is expected to increase. In addition, because Novorossiysk is not an international market, crude oil tankers are expected to add an extra \$1 to \$1.50 fee. ²²¹ Iran's route, although ruled out under US pressure, was

²¹⁸ Cordesman, Anthony, "The US Government View of Energy Developments in the Caspian, Central Asia, and Iran," Center For Strategic And International Studies, April 27, 2000, p. 57

²¹⁹ Pamir, Necdet, "Getting Azerbaijan's Oil to the International Markets, www.azer.com/aiweb/categories/magazine/33_folder/33_art/33_turkishperspective.htm

²²⁰ Bisenova, Alima, "Azerbaijan Ambassador Hafiz Pashayev Discusses Oil, Diplomacy and Regional Conflicts," *The Washington Report on Middle East Affairs*, April 2001, p. 47; "The Geopolitics of Caspian Oil," *Jane's Intelligence Review*, July 01, 2000

²²¹ Cordesman, Anthony, "The US Government View of Energy Developments in the Caspian, Central Asia, and Iran," Center For Strategic And International Studies, April 27, 2000, p. 57

expected to ask for a \$3.67 transportation fee for the pipeline to be feasible. The Turkish government estimates that Turkey can offer a fee below \$3.25 without losing money.²²²

- Turkey guarantees the operational safety of the pipeline and is ready to compensate if the pipelines are harmed. There is no real danger to the pipeline within Turkish territory. Turkey's own oil production is realized in Southeast Anatolia, which was deemed unsafe by the opponents of the Baku-Ceyhan line because there were armed clashes between the Turkish security forces and the separatist Kurdish terrorists in the area. Turkish security forces heavily curtailed the activities of the terrorists in Southeast Anatolia recently and the region is peaceful. In any case, pipeline route circumvents that area. Contrarily, Baku-Novorossiysk route passes through the Chechen territory, which naturally raises concerns.
- The Ceyhan port on the Mediterranean coast has a much greater capacity to store oil than the Russian port on the Black Sea. Currently, Ceyhan has a capacity of 2.4 million b/d, which can accommodate both the Caspian crude oil and a possible resumption of Iraqi oil, for which it was built.²²³
- The Ceyhan port is open to ship traffic all year long owing to its mild weather, contrary to the Russian port, which is subject to closures in the wintertime.
- Ceyhan is the cheapest port to access Europe and the West, and is the closest port to international oil markets such as Genoa and Rotterdam
- The Baku-Ceyhan route circumvents the Turkish straits, which doubtfully can accommodate increased tanker traffic if the Baku-Novorossiysk route is chosen.

G. TURKISH STRAITS AND RELATED ECOLOGICAL AND SAFETY CONCERNS

Turkey's concerns about the ecological and safety consequences of increased naval traffic in the straits constitute the core of Turkey's argument for opposing the Baku-Novorossiysk route, and so these concerns deserve more elaboration. Bosphorus, literally the size of a river, is one of the world's most difficult straits to navigate. It is 30 km long and only 700 meters wide at its narrowest point with three 45-degree turns. In

²²² All figures are taken from *Azerbaijan International*, "Getting Azerbaijan's Oil to the International Market; A Turkish Perspective," by Necdet Pamir, Autumn 1995

²²³ Bolukbasi, Suha "The Controversy over the Caspian Sea Mineral Resources: Conflicting Perceptions, Clashing Interests," *Europe-Asia Studies*, Vol. 50, No. 3, May 1998

addition, approximately 600,000 small boats operate in the straits. About 1.5 million people in 1,300 boats cross the straits twice a day.

Oil tanker tonnage increased four hundred percent in the Turkish Straits since the signing of the Montreux Convention that stipulates free passage to all sea traffic. While the number of ships crossing the straits was only 115 a year in 1936, it is now around 50,000.²²⁴ According to Turkey, if the Baku-Novorossiysk route were chosen for the main pipeline, around 1,200 super tankers would be necessary for the transfer of oil through the straits. That many tankers would close the straits to traffic for 300 days of the year.²²⁵

Increased traffic has already caused numerous accidents and oil spills, which created serious environmental hazards. In 1979, for instance, a collision between a Romanian and Greek tanker spilled 95,000 tons of oil into the straits and burned for weeks. In 1991, a Lebanese ship, carrying 20,000 live sheep, struck a bridge and sank, dispersing its cargo all around Marmara, causing serious health risks.²²⁶ In 1994, a Greek Cypriot tanker collided with another ship, killing 30 seamen and spilling 20,000 tons of oil in the Bosphorus. Fire, caused by the spilled oil, raged for five days and closed the straits to traffic for a week. If this accident had occurred a few miles to the south, Istanbul itself would have faced a major urban disaster.²²⁷ In August of 1998, a Greek tanker ran aground and in October of the same year, a Turkish oil tanker collided with another Tanker carrying water.²²⁸ Moreover, in December 1999, a Russian tanker carrying 4,300 tons of oil fuel ran aground and sank in Marmara, closing the mouth of the straits and heavily polluting a six-mile stretch of coastline.

Pollution resulting from shipping in the Bosphorus has stopped migration of marine life through the straits and has caused the fishing levels to drop to 1/60 of their

²²⁴ Sasley, Brent, "Turkey's Energy Politics in the Post-Cold War Era," (www.biu.ac.il/SOC/besa/meria/journal/1998/issue4/jv2n4a4.html)

²²⁵ Straits have to be shut down six hours per super tanker for safe passage.

²²⁶ Kuniholm, Bruce "The Geopolitics of the Caspian Basin," *The Middle East Journal*, Vol. 54, No. 4, Autumn 2000, p. 8

²²⁷ Aras, Bulent and Foster, George, "Turkey and Azerbaijani Oil Controversies: Looking for a Light at the End of the Pipeline," www.biu.ac.il/SOC/besa/meria/books/azerbaijan.htm

²²⁸ Sasley, Brent, "Turkey's Energy Politics in the Post-Cold War Era," *MERIA (Middle East Review of International Affairs) Journal*, Vol. 2, No. 4. November 1998

former levels.²²⁹ Super tankers, loaded with tons of fuel and passing through a city of ten million inhabitants is considered a serious danger for the safety of Turkish citizens. Turkish public officials articulate this fact in every instance. Turkish Environment Minister, Imren Aykut, for instance, stated that, “No country has the right to endanger the lives of 10 million people just because it wants to sell oil.”²³⁰ Turkish Foreign Minister Ismail Cem also stated in 1998 that:

We warn those who are contemplating such a calculation that they will face serious difficulties in transporting not only existing oil shipments but also future ones through the Turkish Straits starting in the year 1999. To this end, Turkey will start implementing all possible means afforded by international law as well as its own legislation . . . I would suggest that companies who are in a position to transport their Caspian oil via the Baku-Ceyhan pipeline or through the Black Sea and Turkish Straits to take the above-mentioned facts into consideration. Turkey has both a right and the determination to take all necessary measures to protect the ecological system as well as the historic and cultural environment of the Turkish Straits.²³¹

²²⁹ Kuniholm, Bruce, “The Geopolitics of the Caspian Basin,” *The Middle East Journal*, Vol. 54, No. 4, Autumn 2000, p. 7

²³⁰ Kinzer, Stephan “Fearless Turks’ Big Fear? Tanker,” *New York Times*, October 24, 1998 (November 1998)

²³¹ Cem, Ismail, Press Release of Unofficial Translation, Turkish Embassy, Washington D.C, 24 October 1998, www.turkey.org/turkey/f_politics.htm



Figure 6. The Bosphorus

In accordance with the International Maritime Organization (IMO), Turkey introduced some regulatory restrictions in July 1994.²³² These restrictions, which went into effect in November 1994, intend to ensure safe passage for the tanker traffic through the straits.²³³ Russia considered Turkey's adoption of these new regulations restricting the tanker traffic through the straits as an attempt to reduce the appeal of the Russian

²³² Bolukbasi, Suha, "The Controversy over the Caspian Sea Mineral Resources: Conflicting Perceptions, Clashing Interests," *Europe-Asia Studies*, Vol. 50, No. 3, May 1998

²³³ Sasley, Brent, "Turkey's Energy Politics in the Post-Cold War Era," *MERIA (Middle East Review of International Affairs) Journal*, Vol. 2, No. 4, November 1998

pipeline route. Russia protested the newly introduced measures because they violated the Montreux Convention, which foresaw the free passage of all commercial ships in peacetime.

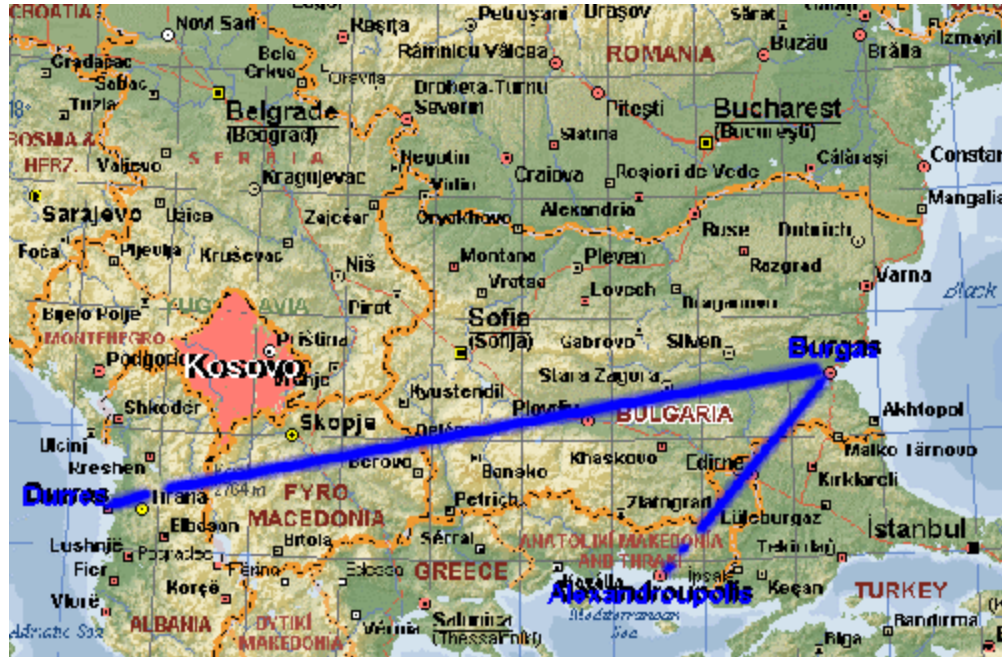


Figure 7. Proposed Pipelines Detours Circumventing the Bosphorus

Russia, meanwhile, tried to offset the Turkey's Straits trump card by introducing a new (290 km) pipeline project from the Bulgarian Black Sea port of Burgaz to Greek Aegean port of Alexandrapolis that would circumvent the Bosphorus. As stated before, the main advantage of the Novorossiysk line is its cost. This new detour pipeline would add \$700 million to \$1.43 billion and decrease the Novorossiysk line's competitiveness.²³⁴ In addition, the loading and unloading processes generate more concerns about this detour route's feasibility for the oil companies that would invest in the project. Nevertheless, this new proposed detour, if realized, would have serious consequences for Turkey's role in the region, and to some extent, its global stance. According to Stephan Blank, an expert on the Caucasus region,

²³⁴ Shorokhov, Vladislav "Energy Resources of Azerbaijan: Political Stability and Regional Relations," *Caucasian Regional Studies*, Issue 1, 1996, www.poli.vub.ac.be/publi/crs/eng/0101-04.htm

This project would avoid Turkish restrictions on the Black Sea and wholly bypass Turkey as a player in Transcaucasian energy, striking at Ankara's vital interests there and in the Balkans. It also helps consolidate a Greco-Russian, and perhaps Bulgarian bloc against Turkey and its efforts to play a leading regional role in Southeast Europe through the Black Sea Economic Cooperation Zone.²³⁵

H. ARMENIAN VIEWS ON CASPIAN OIL AND ITS EFFECTS ON THE KARABAGH CONFLICT

Armenians are uneasy about the Caspian energy and the pipelines. They are concerned that Azerbaijan may use its future oil wealth to change the balance of power in its favor, strengthen its military power, and regain the Karabagh and other occupied Azeri lands by force. Former Armenian President, Petrossian, shared these concerns. He also wanted to stop the isolation and economic blockade of Armenia, to decrease the serious economic hardships at home, to move closer to the west and to become free of Russia's grip. In light of all these concerns, Petrossian adopted a peaceful solution to the problem contrary to the Dashnaks and Diaspora Armenians. The current hardliner government rejects the argument that oil would change the balance of power in favor of Azerbaijan. The Kocharian government and some fanatics in the Armenian Diaspora have differing ideas about the impact of the Baku-Ceyhan pipeline on the Karabagh issue. Some of their ideas are as follows:

- Baku-Ceyhan Pipeline, which Azerbaijan sees as a tool for independence from Russian dominance, is costly and not viable compared to a pipeline through Russian territory. Russia is an Armenian ally and would use the pipelines to pressure Azerbaijan into stopping a possible attack.
- Although the Caspian basin was promoted as the second Persian Gulf, the oil reserves in the Caspian Basin are grossly inflated. These reserves possess far less oil than the Persian Gulf reserves. "Potential, possible, probable, and proven reserves" were not differentiated and not all the reserves were recoverable. At a time of the low oil prices, the high cost of transporting the Caspian oil through the Baku-Ceyhan line was another shortcoming. This high cost was considered to restrict Azerbaijan from using the oil

²³⁵ Blank, Stephan "Russia and Europe in the Caucasus," *European Security*, Vol. 4, No. 4, Winter 1994, p. 630

wealth to the utmost extent.²³⁶ Moreover, it was argued that even if the potential oil were exploited to the limit, Azeri oil would be depleted in 30 years.

- Armenians articulated another argument, that the property rights in the Caspian were not clearly defined. These rights were a matter of controversy. Eighteen oil fields in the Caspian region were disputed. Two out of the three oil fields that were to be developed by AIOC, namely the Azeri and Chirac oil fields, belonged to Turkmenistan. Turkmenistan allegedly owned these two oil fields even if the sectarian division of the Caspian, which was favored by Azerbaijan in the demarcation, was applied.²³⁷
- Even if the legal problems were solved and the fields were developed as planned, the profits from the oil would not show benefits in Azerbaijan in the short term. Considering the extent of corruption in Azerbaijan, the elites and some clans would probably pocket large part of the oil money. The oil could also be a curse as well as a cure, as was evidenced in Nigeria, in which the appropriation of the oil money increased corruption and caused social unrest and civil war. These possibilities should not have been ruled out for Azerbaijan.²³⁸
- Even in case the oil wealth strengthened the Azeri position and upset the current balance of power in Azerbaijan's favor, Azerbaijan was unlikely to attack Karabagh and Armenia. Considering Azeri dependence on oil money to sustain such a move, oil companies would have a greater influence on the Azeri administration. These oil companies, anxious about their profits in an unstable environment, would pressure Azerbaijan not to start hostilities. Even if the Azeris disregarded the pressures from the oil companies in the beginning, they would have to succumb to pressure if the fighting took a protracted character, which would be quite likely considering the rugged and mountainous terrain and the tenacious defense anticipated from the Karabakh Armenians. In case of a renewed war, the oil flows would probably cease because Armenians would be willing to attack the pipelines to cripple the Azeri economy.

²³⁶ Marashian, Onnic "Hurdles to Caspian Oil Supplies," *Armenian Forum*, Vol. 1, No. 3, Autumn 1998

²³⁷ Matrirosyan Arthur, Krikorian, Robert "Caspian Oil and Karabakh," *Armenian Forum*, Vol. 1, No. 1 Spring 1998

²³⁸ Ibid. p. 92

- Armenia had a strong and influential Diaspora in the U.S and France that would most likely pressure Azerbaijan, which lack a Diaspora or a strong foreign support, to stop hostilities. The efficiency of the Diaspora was evidenced when they convinced the U.S administration to implement an embargo against Azerbaijan. The Armenian lobbies succeeded despite the fact that Armenians themselves had attacked and defeated Azerbaijan. For this aggression, Armenia was rewarded with the largest per capita U.S aid in the world after Israel.²³⁹
- Armenia also enjoyed strong ties with Russia, which had supplied Armenia with large numbers of weaponry free of charge. Contrary to Azerbaijan, which strongly refused to let Russian soldiers on its soil, Armenians accommodated Russian bases and a twelve-thousand-strong Russian contingent in Armenia. Russians were training and equipping the Armenian Army. Russia would not sacrifice its only ally in South Caucasus and would probably supply Armenia with arms and, if necessary, would intervene militarily. Azerbaijan, however, seemingly lacked that kind of support considering Turkey's very limited assistance during the first war for reasons mentioned earlier. The genocide allegation campaigns by Armenian lobbies in the U.S and Europe had already neutralized Turkey.
- The Armenian hardliners used another argument to alleviate Armenian concerns about a possible Azeri resurgence was the fact that Armenia (and Karabagh) was strategically located to undermine the flow of oil. As Melcon Melconian put it:

Reliability of oil supplies to world markets is the single most important consideration in oil companies . . . Oil pipeline routes supported by the West [Baku-Ceyhan route is implied] are within Armenia's gaze. In as much as this strategic juxtaposition may convey a threatening aspect, it puts Armenia in a strong negotiating position to guarantee the security of the pipeline routes.²⁴⁰
- Armenians also recognize the inherent weaknesses of the Azeris. These weaknesses include the lack of ethnic cohesion; minorities that could be manipulated

²³⁹ Menon Rajan, "Treacherous Terrain: The Political and Security Dimension of Energy Development in the Caspian Sea Zone," *The National Bureau Of Asian Research*, Vol. 9, No. 1, p. 9, February 1998 and Kotaman, Yunus, Thesis, Naval Postgraduate School, "U.S Policy Interests in the Transcaucasus since 1991," June 1999, p. 60

²⁴⁰ Melconian, Melcon G. "Caspian Oil and Pipelines: A Millennial Opportunity for Armenia," *Armenian Forum Journal* Vol. 1, No. 1, Autumn 1998

against the central government; and the ailing health of the current president, Aliyev. Azerbaijan President Aliyev established the current stability in Azerbaijan. Considering the lack of democratic or institutionalized succession mechanisms in Azerbaijan, Aliyev's death would spark social disorder over the succession of political authority.

I. CONCLUSIONS

The Baku-Ceyhan route seems to have the upper hand in the competition to transfer the Caspian oil and gas to the world markets. The Turkish Energy Minister, for example, said that Azeri oil would reach the world markets by 2005 through the Baku-Ceyhan line.²⁴¹ However, this line is also vulnerable to security risks and instability. To make the Baku-Ceyhan route a reality, much stability is needed in the region, which is ridden with civil strife, ethnic violence, and wars. A radical change in the leadership of Azerbaijan or Georgia would seriously jeopardize the chances of the Baku-Ceyhan Pipeline project itself. The personal charismas of Azerbaijani President Aliyev and Georgian President Shevardnadze have stabilized the region so far. Their replacement with outright Russian puppets or people who merely prefer closer ties with Russia would seriously jeopardize the Baku-Ceyhan pipeline project.

Because of the Karabagh conflict between Azerbaijan and Armenia, the Baku-Ceyhan pipeline must make a detour from Armenia through Georgian territory. This detour adds an extra \$500 million to the cost for a project that is already a vast economic challenge. Azerbaijan offered to pass the pipeline through Armenian territory in exchange for the return of occupied Azeri territories to Azerbaijan and for the return of around one million Azeri refugees to their homes.²⁴² Moderate Armenian president Petrossian welcomed the offer and this opened discussions between the Armenian elites. In a press conference, the Armenian president declared publicly that Karabagh independence was unrealistic and that a stalemate could not last indefinitely. He added that the Armenian public had to be ready for compromise and that there would be no improvement in their

²⁴¹“Baku-Ceyhan Will be Completed by 2005,” *Turkish Daily News*, June 6, 2001 and “Energy Minister Talks Dates,” *Turkish Daily News*, June 5, 2001

²⁴² Cordesman, Anthony, “The US Government View of Energy Developments in the Caspian, Central Asia, and Iran,” Center for Strategic and International Studies, April 27, 2000; Sasley, Brent “Turkey's Energy Politics in the Post-Cold War Era,” p. 18; Shorokhov, Vladislav “Energy Resources of Azerbaijan: Political Stability and Regional Relations” (poli.Vub.ac.be/public/crs/eng/0101-04.htm) p. 12

lives and their standard of living until a settlement was reached over the Karabagh. He further said, the Armenian people

should be bold enough to face up to the fact and make everyone aware that we will never live well until the Karabagh conflict is settled and the blockade of Armenia lifted.²⁴³

The governing elites in Armenia and fanatics in Diaspora accused Petrossian of “selling out” Karabagh.²⁴⁴ Therefore, he was forced to resign and the hardliners assumed power in Armenia.²⁴⁵ The new Armenian President, Robert Kocharian, after securing power, declared that the Armenians would not betray Karabagh for a so-called peace pipeline offer. Mediation efforts are still proceeding between Azerbaijan and Armenia with little tangible results so far. Instability and a lack of consensus on security issues in the region pose a threat to the prospect of peacefully exploiting mineral wealth. Skirmishes erupt on the border zone of Azerbaijan and Karabagh, with the possibility of expanding to a full-fledged war at any time. As Emil Danielyan put it:

The prospect of renewed hostilities cannot be encouraging for Western nations mindful of the future multi-billion-dollar oil contracts signed with Azerbaijan and other Caspian nations. What is projected to be the main pipeline transporting Azerbaijani oil to world markets passes less than 50km (30 miles) from the Karabagh frontline.²⁴⁶

Former advisor to Azeri President, Eldar Namazov, also stated that Armenia had made use of political instability and disarray in Azerbaijan to occupy Azeri territories and to banish the Azeri population from their homes. Such instability was quite likely in the event of the death of the current President Aliyev. Namazov further stated that he believed Armenia’s and Russia’s military complexes were planning to use the possible instability in Azerbaijan. For instance, a possible Armenian thrust toward the Yevlekh district in Northwest Azerbaijan would cut communications and pipeline routes between

²⁴³ Blandy, C.W. “The Impact of Baku Oil on Nagorno-Karabagh,” Conflict Studies Research Center, December 1997 (www.ppc.pims.org/Projects/csrs/s33.htm)

²⁴⁴ Hughes, John “Oil Pipeline Politics Engulfs the Tiny Nagorno-Karabakh,”

(www.asbarez.com/archives/1998/980325jh.htm)

²⁴⁵ Stone, Christine “Some Thoughts on the Killings in Armenia: Who Did It and Why?”(www.antiwar.com/orig/stone1.html); Hughes, John “Oil Pipeline Politics Engulfs the Tiny Karabagh, (www.asbarez.com/archieives/1998/980325jh.htm)

²⁴⁶ Danielyan, Emil, “Azerbaijan/Armenia: Karabagh Shootout Exposes Cease-Fire’s Fragility,” (www.rferl.org/nca/features/1999/06/F.RU.990616115419.html)

Azerbaijan and Georgia and bring the Western companies and Azerbaijan itself into a hopeless situation.²⁴⁷ Prominent experts on the region share Namazov's concerns.²⁴⁸

Such a move by Armenians or an Azerbaijani attack to regain its territories runs the risk of spinning out of control very easily. Considering the oil stakes in the region, a renewed war could drag other regional states into the conflict. A resurgence of the violence should be avoided through a permanent solution on the issue. Unless the stability is restored, developing the Caspian mineral resources would not be a cure but rather a curse for the peoples living in that geography, including the Armenians.

²⁴⁷ Lexis Nexis, Library: News, File: Allnws, BBC Worldwide Monitoring, November 29, 2000 “Azeri Analyst Says Neighbors Might Take Advantage of Instability in Baku.”

²⁴⁸ Such as Thomas Goltz, Svante Cornell and Stephan Blank.

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VI. CONCLUSIONS AND RECOMMENDATIONS

A. EFFECTS OF KARABAGH CONFLICT ON TURKEY'S ROLE IN THE REGION

With the collapse of the Soviet Union, Turkey had high hopes for actively influencing the Caucasus. The political situation at the time increased these expectations. After the Cold War, European interest in Turkey decreased as soon as the Soviet threat disappeared. Now that Turkey was not needed for European Security, Turkey's European allies started to criticize Turkey about human rights issues and about Turkey's struggle for its territorial integrity. That kind of treatment disillusioned Turkey. As Laurent Ruseckas said:

This sense of insecurity was compounded by the decision of the European Community to reject flatly Turkey's application for membership in 1989. Although this decision did not come as a great surprise to the Turkish political elite, it did seem to confirm their fears that Europe was closing the door on Turkey now that its Cold War security contribution was no longer needed.²⁴⁹

This disillusionment with Europe encouraged Turkey to consider reorienting its foreign policy toward the Caucasus and Central Asia and to foster good relations with the Turkic World. In this new orientation, Turkey immediately became interested in the Caucasus region for several reasons:

- The Caucasus formed a natural corridor between the Turkic Central Asian States and Turkey (virtually a bridge to Turkic Central Asia).
- The area was strategically important as a possible hedge between an untrustworthy Russia and Turkey.
- Azerbaijan was ethnically and linguistically closest to Turkey. In fact, Turkey and Azerbaijan had a history of cooperation during the last years of the Ottoman Empire. As a result, compared to Turkey's other ethnic cousins, who were culturally, linguistically, and geographically more distant, Azerbaijan was Turkey's immediate choice for partnership. Also a politically active and organized pro-Turkish movement was to assume office in Azerbaijan eventually.

²⁴⁹ Ruseckas, Laurent, "Turkey and Eurasia: Opportunities and Risks in the Caspian Pipeline Derby," *Journal of International Affairs*, Vol. 54, Issue 1, Fall 2000

- Azerbaijan was also known to contain large deposits of oil, on which Turkey was completely dependent.

These factors were more than enough to make the Caucasus, specifically Azerbaijan, Turkey's first priority. Turkey also saw the collapse of the Soviet Union as a chance to reconcile its differences with Armenia and to maintain a normal relationship. The Armenian Diaspora communities had strong and well-organized lobbies in Europe and especially in the U.S. These lobbies were effectively collaborating with other anti-Turkish ethnic lobbies against almost anything relating to Turkey in the U.S Congress and in other forums. These lobbies were engaged in active "genocide" propaganda. Terrorists who felt ethnically affiliated with Armenia assassinated Turkish diplomats and their family members in 1970s and 80s. Turkey considered an improved relationship and reconciliation with Armenia as a way to stem anti-Turkish agitation and propaganda that these expatriate community groups conducted. An improved relationship might also facilitate Armenia abandoning territorial claims in Eastern Turkey. Some circles in Armenia and in the Diaspora had been articulating these territorial claims even during the Soviet era.

Armenia's geographical location was another reason for Turkey to improve relations with Armenia. Crafted skillfully by Tsarist and Soviet Russian policies, Armenia blocked Turkey's direct connection with Azerbaijan. Turkey borders the Azeri province of Nakhcivan, on which Turkey had a guarantor status, according to the Soviet-Turkish Treaty of 1921. A railroad through Armenian territory linked Nakhcivan to mainland Azerbaijan. The viability of this connection with Azerbaijan was left to the mercy of Armenians. As mentioned earlier, in April 1991, The Turkish Ambassador in Moscow visited Armenia. During his visit, the Turkish Ambassador arranged drafts of a treaty of friendship with the Armenian government, together with an agreement to initiate direct cross-border trade and the opening of a highway between the two countries.²⁵⁰

Turkey was interested in turning the entire Caucasus into a peaceful cooperative zone so that it could have unhindered access to Central Asia. Turkey's other goal was to stabilize economic development in the region (particularly the oil development in the Caspian). However, events would not unfold as Turkey hoped. When the Karabagh

²⁵⁰ Tutuncu, Mehmet, *Caucasus: War and Peace, The New World Disorder and Caucasus*, p. 189

conflict erupted between Armenia and Azerbaijan, Turkey had to choose between these two states. Turkey was obliged to balance between avoiding Armenia's alienation and losing Azerbaijan altogether. Azerbaijan, in those critical moments, was vacillating between a Russian, Iranian and Turkish orientation. After an outright Armenian aggression on Azeri territories outside Karabagh, public outrage exploded in Turkey. As a result, following an initial hesitation, Turkey was forced to side with Azerbaijan. Even generally cautious Turkish politicians had to support Azerbaijan despite the international community's predominant sympathy for Armenia. Cornell describes the dominant inclination in the international community at the time:

The world attitudes were from the start heavily tilted toward Armenia, very much because of the successful lobbying efforts of Armenians in the United States and France, in particular, who had succeeded in depicting the conflict since its inception in 1988 as a new genocidal attack on the Armenian people.²⁵¹

The Turkish government could not disregard public outrage and the criticism of the opposing political parties. Turkey eventually closed the border with Armenia and participated in the trade embargo Azerbaijan imposed on Armenia. Turkey also refused diplomatic contact with Armenia until the Armenian forces withdrew from occupied Azeri territories and a solution suitable to Azerbaijan was found. Turkish foreign policy priorities were set as follows:

- Support Azerbaijan's Independence
- Support Azerbaijan's sovereignty over the Nagorno Karabagh
- Prevent or limit Russia's return to South Caucasus.
- Participate in the Azerbaijani oil production and the export of significant amounts of this oil through Turkey (the Baku-Ceyhan Pipeline project was foreseen as the main export route for Azerbaijani oil)
- Preserve a friendly, though not necessarily pan-Turkist, government in Baku.²⁵²

Nevertheless, Turkey always fell short of truly committing itself to the Azeri cause despite a strong public desire for active Turkish support. The Turkish government

²⁵¹ Cornell, Svante E. "Turkey's Role and Prospects in the Nagorno Karabagh Conflict and its Regional Implications," *Marco Polo Magazine*, 4/5/1998

²⁵² Bolukbasi, Suha, "Ankara's Baku-Centered Transcaucasia Policy: Has it Failed?" *Middle East Journal*, Vol. 50, No. 1, Winter 1997, p. 51

was widely criticized within Turkey for its inefficiency and caution in handling the crisis. However, this criticism did not change Turkish policy. Since the reasons for Turkish caution in the Karabagh conflict were explained in Chapter V, this present chapter will discuss the effects of Turkey's inability to play a decisive role in the conflict.

The Turkish failure in the Karabagh conflict and Turkey's hesitation in the face of Russian threats were seen as weakness. This perceived weakness put the Turkish capability to play an assertive role in the region in doubt. Turkey's failure to keep a friendly and strongly pro-Turkish Elchibey regime in power against a coup (allegedly supported and plotted by Russia) sealed this perception of Turkey's weakness in the region and in general. The Karabagh and the subsequent Elchibey experience also led Turkish policy makers to realize the inherent shortcomings of their country in formulating its policies.

The conflict in Nagorno Karabagh at an early stage shattered the illusions of certain policy makers about the capabilities of their country with regard to its relations with its lost cousins of the Caucasus and the Central Asia. Indeed, as if subjected to a cold shower, the Turks, which had not done so, realized the complexity of their country's relations with the U.S, Western Europe, Russia, and the Middle East, and the constraints upon it that prevented Turkey from pursuing a truly independent policy in the region.²⁵³

This realization ended the illusions of the Turkish policy makers. It also brought about moderation in rhetoric and policies. Mentioning a Turkic world extending from the Adriatic Sea to the Great Wall of China was not taken seriously after these experiences. These limits of Turkey's capabilities eroded the nation's prestige, and it prompted a more realistic image of Russia's role.

After this Turkish failure, the Central Asian and Caucasian States saw Russia's capabilities clearly. Russia was the only game in town, so these Turkic states modified their policies accordingly. Russia's ability to meddle and plot coups in their interests to topple unfriendly regimes was a sobering reminder to these Turkic states in Central Asia and in the Caucasus. Turkey, obviously, lacked the resources and capabilities to replace Russia.

²⁵³ Cornell, Svante E. "The Nagorno Karabagh Conflict," Department of East European Studies, Working Papers 46, Uppsala, Sweden, April 1999, p. 79

Because Turkey aligned with Azerbaijan—however limited this alignment might have been—Armenia aligned itself with Russia. Then, owing to the tactless policies of the Elchibey government, Armenia aligned with Iran. As a result, Turkey experienced the return of Russian troops in Armenia, facing Turkey. Then a perceived hostile constellation, which Turkey tried to avoid, solidified. Turkey's failure to reconcile with Armenia also led to anti-Turkish agitation and harassment by Armenian Diaspora lobbies. Especially after the Armenian hardliners took office following the forced resignation of Petrossian, the so-called "Armenian genocide" resolutions began to appear in Western parliaments in a coordinated fashion.

Because of all these outcomes, Turkey could not have altered this situation. With the Soviet Union's collapse, Turkey tried vigorously to reconcile with Armenia, to avoid a Russian return, and to create a stable region ripe for commerce and free of all the spillover effects of ethno-political violence. Nevertheless, the war in Karabagh and resulting wide-scale suffering of Azerbaijani civilians led to a public outcry. Dismissing this public reaction would have been too risky politically for any Turkish government.

Clearly, failing to support Azerbaijan, although limited, in that situation would have eroded Turkish prestige even further. Turkish credibility would have almost totally disappeared in the eyes of Azerbaijan and the other Turkic Central Asian States. Fortunately, Turkey's loss of prestige remained somewhat manageable due to active Turkish political and economic support for Azerbaijan. Politically, Turkey used its western ties in the international arena, and Turkey imposed an economic embargo on Armenia, along with Azerbaijan. The absence of these measures would have most probably alienated Azerbaijan completely. This would have meant an end to the Turkish role in the Caucasus and in the recent economic developments.

As a result, claiming that the Karabagh conflict took Turkey's Caucasus policy hostage from the start is fair. Events, which Turkey could hardly have had any choice or say in it, shaped the current situation. Consequently, this influx of events deteriorated Turkey's prestige and its role in the region by exposing the complexity of Turkey's situation and its inherent weaknesses.

Lastly, the oil issues and the exploitation of Caspian mineral wealth, instead of helping to solve the Karabagh conflict and to contribute to regional welfare and stability,

further complicated the situation. The oil related issues polarized the region with implications for a broader conflict than anticipated. Armenia, Russia, and Iran consolidated their ranks while Azerbaijan sought assistance to offset that constellation with Turkey, the U.S and other western powers by encouraging those powers to invest in the region. Solving the Karabagh issue bears great importance to exploit the Caspian mineral wealth and for regional and global stability. However, with all the regional actors seeking benefits from the oil pie, solving the problem became more politicized.

B. FUTURE DEVELOPMENTS AND ANALYSIS

The current status quo should not be expected to last forever. Hostilities might resume at any time, depending on the pace of events, the attitude of the leaderships, and the perceptions of the actors.

Azerbaijan is not in a position to defend itself militarily in case of an armed Armenian attack. Their demoralized and ill-trained army, which lacks sufficient armaments, holds little prospects against the well-trained, motivated and generously-equipped Armenian and Karabagh Armies, which Armenians' historic ally, Russia, backs. The Azerbaijan Army lacks, most importantly, a professional officers corps, owing to the Soviet "nationality policies," which informally discouraged Azeris, among other Muslim peoples, from joining the Soviet officer corps.²⁵⁴

Resumption of the hostilities risks carrying the fighting deep into unoccupied Azeri territories, including the pipeline routes and junctions. Realistically assessing their own capabilities, the Azerbaijanis are currently trying to resolve the problem diplomatically. A diplomatic solution, however, is proving more difficult after the hardliners headed by current Armenian President Robert Kocharian took over the Armenian government. The predicament of the refugees is a great concern for the Azerbaijan government. The Azerbaijan leadership is increasingly pressed to resolve the conflict as soon as possible, but without compromising Azerbaijan's sovereignty. Public opinion in Azerbaijan favors settling the problem militarily.

Azerbaijan has made it clear that, although preferring a peaceful settlement, it will consider military options should a settlement not be forthcoming. Given the close and competitive involvement of Turkey,

²⁵⁴ Herzig, Edmund, *The New Caucasus: Armenia, Azerbaijan and Georgia*, Royal Institute of International Affairs, Chatham House Papers, 1999, pp. 55-56

Iran, and Russia in the region, this would risk a wider and potentially disastrous war.²⁵⁵

Different scenarios may develop in the future, depending on the pace of events and the perception of the actors. Azerbaijan, for example, may prefer to strengthen its military power with the anticipated oil money and try to solve the problem with a military campaign to regain its lost territories. Depending on the course of the events, such a move could spillover, igniting new conflicts in the region. Armenians currently feel that the flow of oil could upset the region's current status quo and the balance of power. If the Karabakh Armenians and Armenia, on the other hand, get clear signals that Azerbaijan would use the oil money to strengthen its Army and to regain Karabagh and other occupied Azeri lands by force, then the Armenians might opt to launch a preemptive attack. Such an attack into the Azeri territory would most probably intend to capture pipeline routes and to compel Azerbaijan to accept a permanent agreement. Walker also foresees such a scenario:

Both the U.S and Russian oil and gas companies were committing huge sums of money to the development of these resources, and renewed fighting over Karabakh seemed likely to sabotage investment projects and complicate plans to build the pipelines needed to bring the Caspian's energy reserves to market. Renewed fighting might even lead to a full blown showdown between Azerbaijan and Armenia (Armenia's involvement in the fighting during 1992-94 had been substantial but covert), in which case Karabakh and Armenian forces might carry the war even deeper into Azerbaijani territory, threatening Ghandzha (Azerbaijan's second largest city which lies only 30-40 km to the north of the line of contact) or even Baku. Nor could attacks by Armenian and Karabakh forces on Azeri oil production facilities and pipelines be ruled out.²⁵⁶

Although Russia does not have a unified stance in the Caucasus, considering the disagreements between the Russian oil companies and the Russian government, such an

²⁵⁵ Kevin (Abdul Khadir) Miller, "Azerbaijan Will Never Put up with Armenian Occupation of Karabagh-Aliyev," BBC Monitoring Service, UK, August 26,2001, source: Interfax News Agency, Moscow, in English 1237 gmt August 26,2001; MacFarlane, S.Neil and Minear, Larry "The Nagorno-Karabakh Time Bomb," (www.reliefweb.int)

²⁵⁶ Walker, Edward W. "No Peace, No War in the Caucasus" (www.Cc. Columbia .edu/sec/ dlc/ciao wps/ wae01/wae01.html)

Armenian move would likely be with Russian support, either open or concealed. Given Russia's proclivity to meddle in the region to regain its influence, such support is not farfetched. This is especially likely in case Russia was completely alienated or felt that it was losing its influence altogether in the Caucasus. Naturally, such a move would create risky complications, involving other regional powers.

The resurgence of hostilities, whether by Azerbaijan, which may be eager to use its oil riches to correct injustices or by Armenia, which may want to preempt before the Azeris gain advantage, could really spin out of control and create unanticipated results. Reactions from the regional powers in such a case gain importance in determining the possible repercussions. Especially at a time when Turkey's EU prospects are getting dimmer, Turkey, for example, may not remain impartial, as it did in the first war. An unequivocal exclusion from the European Union enlargement, for example, would free Turkey from some of its self-inflicted constraints that it had adopted when it sought a secure place in the Western camp. Seeking new prospects, including the pipeline issues, Turkey could choose to become involved in a possible Azeri-Armenian conflict more directly.

Armenians, on their part, have a Friendship and Cooperation agreement with the Russian Federation against third party interventions. Russia's mindset is not much different from Turkey's. Russia altered its initial western orientation and is currently trying to reassert its position in the Caucasus and Central Asia against new powers, one of which is Turkey. Even though the Russian-Western relations seemingly took a more conciliatory character following the terrorist attacks in the U.S on September 11, the future of the Russian-Western relations is yet to be seen

Russia holds the key to solving the problem. It can exert pressure on Armenia to conform to a peaceful solution according to UN resolutions or the Lisbon Summit decisions, which the Minsk Group countries, including Russia, supported.²⁵⁷ Nevertheless, the continuation of the conflict currently benefits Russia because continuing conflict serves as leverage against Azerbaijan, which adopts a pro-Western policy and refuses to welcome Russian troops. The conflict constitutes a pretext for a

²⁵⁷ Walker, Edward W. "No Peace, No War in the Caucasus," (www.Cc. Columbia .edu/sec/ dlc/ ciao wps/ wae01/wae01.html)

Russian military presence in the region. The conflict also serves as a possible future trump card against the Baku-Ceyhan pipeline.

The Karabakh conflict, if not resolved peacefully, has a potential to undermine the regional stability, investment and the safe flow of oil to the world markets, as mentioned earlier. In the light of current developments elaborated previously, a permanent peaceful solution seems unlikely.

C. RECOMMENDATIONS

Contain Armenia: Turkey's strained relations with Armenia have shaped Turkey's role in the region so far. In Turkey, overcoming the animosity of the past and forming working relations with Armenia are generally considered useful. As a result of Ter Petrossian's moderate rhetoric and policies, a softening of the relations between Turkey and Armenia seemed imminent. On the other hand, Kocharian government's overtly anti-Turkish foreign policy in conjunction with the unleashed Diaspora efforts to organize campaigns of genocide allegations in foreign capitals did not give the Turkish leadership much choice. Consequently, subsequent Turkish governments declared that improving the relations with Armenia was conditional on Armenians' withdrawal from the occupied Azeri territories, on revoking their claims to Turkish territory, and on ending their blockade of Nakhcivan.

Views about the course of current Turkish-Armenian relations differ in Turkey. For some, Turkey in a sense became prisoner of its relations with Azerbaijan that held back Turkish-Armenian relations. Accordingly, hinging relations with Armenians on solving the Karabagh conflict and withdrawing of Armenian forces from Azerbaijani territory is a mistake. Since Armenia has no economic or diplomatic ties with Turkey, Armenia lacks any meaningful incentives to maintain decent relations with Turkey. As a result, Armenia provokes Turkey by sponsoring anti-Turkish resolutions in western parliaments, because Turkish-Armenian relations are currently nonexistent. Therefore, Armenia loses nothing by maintaining a hostile attitude. However, trade relations and the development of Turkish trade in Armenia would encourage the Armenian leadership to moderate its policies toward Turkey. Turkish-Greek relationship even in the presence of the Cyprus problem, for example, could be a model for relations between Turkey and Armenia.

Beyond the above points, Turkey's increased relations with Armenians would also facilitate relations with the United States, where influential Armenian lobbyist groups, who cooperate with other anti-Turkish lobbies, effectively influence the U.S congress and block arms sales, military hardware and technology transfers. Nevertheless, Turkey had to bring about this policy change delicately so as not to alienate Azerbaijan, which is vital for a Turkish role in the region. Prompted by these arguments, there are some attempts to improve relations by forming dialogue through a council formed of prominent members of each community.

A dialogue between the Turks and the Armenians is potentially useful. Discussing their common history, which both sides perceive differently, would be helpful. However, in today's world, the norm is to live in the present, not in the past, either real or imagined. Unfortunately though, living in the present is rare in Armenia. Turkey's policy toward Armenia over the last decade has been based on the reality of Armenia's occupation of Azerbaijani territory and the deportation of one million people from their homes, not on past animosities. Without any changes in Armenian policy, which would convince Turkey of Armenia's goodwill, Turkey should not change its policy of cutting diplomatic and trade relations with Armenia. This policy of ceasing cooperation with an aggressor is in line with international law, as Turkey implemented during the Gulf War against Iraqi aggression against its neighbor, Kuwait.

Turkey naturally feels that it must change Armenia's hostile image of Turkey. However, beginning a dialogue with the Armenians at a time when Armenia's negotiating with Azerbaijan is becoming increasingly uncompromising might be perceived erroneously. Turkey should not create a perception that ethnic cleansing and military aggression is acceptable for improving relations. Such behavior cannot be condoned.

In addition, the wave of various parliamentary "genocide resolutions" pushed by the Armenians resulted in a perception that Turkey's arguments regarding the "genocide" issue were weakening. By forming a Turkish-Armenian reconciliation commission, for example, as described in Chapter IV, Turkey seems to appease the Armenians at such a time. By doing so, Turkey justifies Armenian extremism and acknowledges Turkey's susceptibility to pressure. Such concessions only open the doors for further and even

stronger pressures. These concessions might also open Pandora's box of past grievances, with which every nation in the region, especially Turkey, is replete. Yet, unlike most nations, Turkey is not preoccupied with its past grievances.

Although normalizing relations with Armenia, as an instrument of encouraging and rewarding it for moving toward peace is desirable, this move risks being interpreted as rewarding the hard-liners in Armenia and Diaspora. These groups believe that they can achieve their goals by putting pressure on Turkey without compromising with Azerbaijan. So Turkey should pressure Armenia until the Armenians agree to reconcile with their past and to form a working relationship, without the two nations necessarily agreeing to what really happened during the WW I.

Armenians should admit that civilized states do not engage in ethnic cleansing in today's modern world. Until Armenia accepts civilized norms, Turkey's dialogue with Armenia should be limited to how to end the aggression against Azerbaijan and Armenia's territorial claims against its neighbors, including Turkey. Turkey should also convince Armenia to become an independent country, not a fortress of Russian military presence in the Caucasus. Armenia should act as a responsible state, not as an impoverished past-oriented society obsessed with militant ethnic expansionism.

Improve Relations with Iran: As to other policies Turkey could use to improve stability in the region, Turkey could lure Iran from its alliance with Russia in regional affairs. Historically, Russia has been the greatest threat to Iran. Russia invaded the Caucasus region at the expense of Iran in the 19th century. The U.S policy of "dual containment" and the sense of isolation this policy created in turn caused a siege mentality in Iran and forced it to establish other relations to overcome its isolation. Russia, which was also recovering from its initial pro-Western illusions, was a natural choice for Iran. Turkish policy toward Iran has been in parallel with the US containment policy. Heeding Iran's national interests and coming to a working compromise with Iran would facilitate a better understanding of the need to contain aggressive policies in the Caucasus.

Turkey and Iran resolved their differences through various wars starting from 1514 to the early 18th century. The Turkish-Iranian border stabilized after the 1639 Kasri Sirin accord between the Ottomans and the Iranian Safevi regime of the time. Wars with

Iran occurred in 1639, from 1723 to 1727, from 1730 to 1737, and from 1743 to 1746, but ultimately the frontiers, which the Kasri Sirin Treaty established, remained unchanged. Turkish-Iranian relations have been good for almost two centuries without any hostilities. The fact that no territorial claims exist between these two countries is a rather uncommon phenomenon in the region. However, this does not mean that no problems exist between these two countries. Iran's alleged support for PKK terrorists, its alleged role in Islamic fundamentalist groups within Turkey and its efforts to export its revolution abroad to its neighbors in the wake of the 1979 Islamic revolution were the main irritants in Turkish-Iranian relations.

As Iran began to feel the consequences of isolation more severely, Iran's policies regarding its neighbors became more moderate. However, an unconcealed power struggle between the moderates and traditionalists in Iranian politics still brews. Improving its relations with Iran in order to stabilize the Caucasus region is in Turkey's interests. Improving Turkish-Iranian relations would create a compromise and would reduce the probability of a conflict. By increasing trade volume, Iran could be given alternative avenues to overcome its isolation. At the same time, active engagement could further accelerate Iran's moderation.

However, Turkey should not pursue this policy change with Iran by directly confronting the United States. In addition, increased relations with Iran should not jeopardize the Baku-Ceyhan pipeline project. The U.S support is vital for the Turkish proposed Baku-Ceyhan pipeline project, which was not economically competitive against a much shorter Iranian route. The U.S supported the Turkish project for political considerations, namely to restrict the Iranian and Russian roles in the region. Owing to this U.S support, the proposed Turkish route has currently gained the upper hand. The U.S support is vital for Turkey's role in the region. The U.S support for Turkey proved invaluable in giving credence to Turkey's position on the pipelines against Iran and Russia after the poor Turkish performance during the Karabagh war. As a result, increased relations with Iran should not be at the expense of U.S support for Turkey in the region.

The current natural gas deal with Iran to supply Turkey with \$ 20 billion worth of natural gas over a period of 25 years is a good step toward interdependence. Turkey

would leverage such a gas deal against a cash-deprived Iran without constraining Turkish options. For example, in cases of emergency, Turkey could obtain its energy requirements from a variety of sources.²⁵⁸As Recknagel puts it:

Commercially, Turkey and the Islamic Republic complement each other nicely. Turkey's industries are thriving, while Iran's are hard hit economically, creating a market for Turkish goods like refrigerators and cars. Moreover, Iran is energy-rich while Turkey must import almost all its oil and gas, creating a market for Iranian fuel.²⁵⁹

Improve Relations with Russia: Russian role in the Caucasus should not be underestimated either. Russia proved to be the only force capable of actually affecting the course of events in the region. Russia has a long imperial past and the resulting cultural affinity with each South Caucasian state facilitates its involvement in the region. Russia's willingness and capacity to meddle in the domestic affairs of these nations bolsters Russia's importance in stabilizing the region.

Numerous wars fought between the Ottoman, the Persian and the Russian Empires proved that taking a confrontational stance in the region was counterproductive. These wars caused endless misery, resentment and grievances for the peoples of the region. It is to everyone's interest to engage Russia in a web of relations that would restrain unilateral and arbitrary moves. Turkey, being mostly the victim in these previous wars, should try to prevent the revival of past animosities and hostilities.

Trade relations with Russia and Turkey should be brought to such a level that both countries would think twice before taking any steps to jeopardize these relations. The Blue Stream project that is planned to carry \$13 billion worth of Russian natural gas to the Turkish market through a 1,200 km pipeline to be laid on the surface of the Black Sea is an example of such cooperation.²⁶⁰ Russia also seeks to participate in arms deals to supply the Turkish Armed forces with weapons for its ambitious modernization projects.

Turkey's trade relations with Russia are in a far better position compared to trade volume with other former soviet states. Volume of the trade has already played a modest

²⁵⁸ Lelyveld, Michael, "Iranian Gas Import Delays May Favor Russia," Radio Free Europe/Radio Liberty Weekday Magazine-Russia, July 2001

²⁵⁹Recknagel, Charles, "Iran: Bilateral Ties Improving with Turkey after Period of Strain," Prague, August 23, 2000 (RFE/RL)

²⁶⁰ Lelyveld Michael, "Turkey: Ankara Examining Russian Energy Project, RFE/RL Newslines-Russia, May 2001

role in constraining Turkish, and to some extent, Russian policies in the Karabagh conflict in 1993. Furthering trade relations and developing them to a level of mutual interdependence in economic affairs would help stabilize the region. The more the sides stand to lose in a conflict, the more they would restrain their hostile policies against each other. Fear of losing profitable commercial ties would expectantly moderate the policies of both countries. Undoubtedly, improved commercial relations are vital to the stability and peace in the region as a whole.

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